

Company number: 4149673
Charity number: 1087312

Central England Law Centre Limited

Report and financial statements
For the year ended 31 March 2023

Central England Law Centre Limited

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For the year ended 31 March 2023

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Central England Law Centre Limited

Reference and administrative information

For the year ended 31 March 2023

Company number 4149673
Country of incorporation United Kingdom

Charity number 1087312
Country of registration England & Wales

Registered office and operational address Oakwood House
St Patrick's Road Entrance
Coventry
CV1 2HL

Trustees The trustees (also directors under company law) who served during the year and up to the date of this report were as follows:

| | |
|---------------------|------------------------------|
| K Wilding | Chair |
| G Moffatt | Vice Chair |
| Professor J McHale | |
| C King | |
| R Alomo | |
| T Bannister | |
| Councillor J Tucker | (Resigned 23 February 2023) |
| R Kodakndala | (Resigned 21 July 2022) |
| A Christie | (Appointed 25 October 2022) |
| Councillor A Jobbar | (Appointed 31 January 2023) |
| Dr S Raistrick | (Appointed 29 November 2022) |

| | | |
|---------------------------------|-------------|---|
| Key management Personnel | E Hill | (Chief Executive) |
| | P.O'Donnell | (Director of Finance) |
| | C Stern | (Deputy Chief Executive) |
| | L Nash | (Head of Legal Casework and Compliance) |

Bankers CAF Bank Limited
25 Kings Hill Avenue
Kings Hill,
West Malling
ME19 4JQ

Auditor Sayer Vincent LLP
Chartered Accountants and Statutory Auditor
Invicta House
108-114 Golden Lane
LONDON,
EC1Y 0TL

Central England Law Centre Limited

Trustees' annual report

For the year ended 31 March 2023

The trustees (also known as directors) present their report and the audited financial statements for the year ended 31 March 2023.

Reference and administrative information set out on pages 1 and 2 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Central England Law Centre Ltd was registered with the Charity Commission and at Companies House in May 2015. It was formed following a special resolution passed in March 2015 to change the name and memorandum and articles of association of Coventry Law Centre Ltd, which was formed on 29 January 2001, acquiring the assets of Coventry Legal & Income Rights Trust which had been operating since 1976. Central England Law Centre continues the work of Coventry Law Centre in line with its own objects, maintaining its operations from the city centre of Coventry, and expanding to provide services in Birmingham.

Directors and trustees

The directors of the Central England Law Centre Ltd are its trustees for the purpose of charity law.

Objectives and activities

Purposes and aims

The trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

The charity's purposes as set out in the objects contained in the company's Memorandum of Association are:

- i) The relief of financial hardship and other forms of distress among the people of Central England and others through the provision of legal and other advisory, representation and information services which they could not otherwise obtain through lack of means;
- ii) The advancement of education of the public by the improvement and diffusion of knowledge of the law and the administration of justice, having regard especially to those areas of the law which are of particular concern to poor people or are directed to the relief of poverty;

- iii) To promote such other charitable purposes as are for the benefit of the people of Central England.

These are summarised in our statement of purpose:

To fight social exclusion in communities and to effect change in society by increasing rights awareness and using legal processes to fight poverty, inequality and discrimination.

Trustees paid due regard to the guidance issued by the Charities Commission in relation to public benefit in deciding that all activity undertaken by the charity must be in support of strengthening and expanding its capacity to make people aware of their rights, to provide legal advice and representation and to improve its ability to reach the most vulnerable individuals and communities.

The key issues underpinning the strategic aims for 2021–24

The last 12 months has continued to be difficult in terms of the cost-of-living crisis that comes after an extended period of social and economic uncertainty with the effects of the COVID-19 pandemic still being felt. This has created a significant challenge to living standards for us all but particularly for those on low incomes and the effect is that there is an ever-growing gap between what people have and what they need for a decent standard of living. More people do not have enough money to cover their basic needs and more people are denied access to justice to challenge unfair decisions and enforce their rights. This is putting additional pressures on the voluntary and statutory support services with which we partner. The legal aid system in its current form is not fit for purpose and alone, cannot meet the legal needs of our community or individual clients. These are sector-wide challenges that have left large swathes of the United Kingdom without access to legal aid providers, effectively creating 'legal deserts. We are experiencing large levels of demand beyond our capacity for immigration, employment and family law advice. There is an increasingly harsh climate for migrants with the tightening of immigration rules, making things very difficult for some of our clients and a growth in the numbers of people with no recourse to public funds.

Strategic aims for 2021–24

- Providing legal expertise across eight different areas of social welfare law – offering services that can address all the interconnected problems people face in their everyday lives.
- Working to build knowledge of legal rights and the ability to manage day-to-day issues that have a legal solution within the most vulnerable communities where we work.
- Making our advice and representation services easily accessible to those who are socially excluded and need them most.
- Using our knowledge of the communities we work in to influence local and national policy makers and sometimes being a voice for those who are seldom heard.
- Using our legal practice to change the law by seeking and pursuing public interest cases.

In 2022 we brought these aims together under a refreshed organisational strategy – rights in the community which focusses on harnessing the combined power of our work with people, partners and policy makers to have the biggest impact for our community. This strategy is underpinned by our belief that the cultures, systems and behaviours that reinforce unfairness, disadvantage and inequality need to be changed. We believe that only by activating and embedding rights in communities can this be achieved, ensuring early and preventative action is taken to protect the rights of socially and economically disadvantaged individuals and communities. The strategy focuses our skills and resources in three key areas:

People: The key driver for our approach and the largest volume of our activity is our work with individuals to ensure more people are protected by their rights and, to build their understanding, of where they can use legal rights to protect themselves in the future.

Partnerships: The formation and maintenance of close partnerships with other community-focused service providers, to place legal rights at the heart of their work and to activate a rights-based approach in their interactions with service users. To blend our work with theirs, so that, together we can offer holistic support to people.

Policy: We identify and share evidence of strategic issues, service gaps and patterns in clients' needs and use it as the basis for strategic action and influencing activity; we take strategic action at a local, regional and national level to influence change in policy and legislation, ranging from strategic litigation, membership of local statutory steering groups, boards and advisory bodies through to the work of the Strategic Justice Law Clinic, work on national campaigns and responding to calls for evidence.

Below sets out our achievements against these aims and our work to embed our refreshed organisational strategy in 2022–23.

Achievements and performance

All our charitable activities focus on strengthening and expanding our capacity to raise rights awareness, to provide legal advice and representation, to influence policy makers, and to improve our ability to reach the most vulnerable individuals and communities. This year we were very fortunate to secure core funding from the The Legal Education Foundation (4 years), the Esmee Fairbairn Foundation (5 years) and the Paul Hamlyn Foundation (3 years) which has enabled us to also start to undertake some key organisational development work.

Organisational Development

We have implemented a **new leadership structure to strengthen the organisation operationally** and to support the implementation of our strategy. New roles include a Rights in the Community (RIC) Lead; Director of Positive Action on Poverty; Deputy CEO, Projects and Learning Manager and Director of Legal Casework and Compliance.

We have implemented **mechanisms to develop stronger cross team collaboration** to bring the skills of all our legal teams around the most pressing issues in our community. This includes thematic meetings convened monthly bringing together staff across the organisation at all levels. They currently focus on the following broad themes arising from staff consultation and discussions with partners: Housing and homelessness; immigration status and interconnection to accessing other rights, unmet care needs, and poverty.

We have also focussed on the **mechanisms to improve evaluation and learning of our work**. We have developed team plans (logic trees) that link day-to-day activities to the strategy, rolled out a new enquiries management system developed utilising Office 365 capabilities – over time this data will show long term trends across Birmingham and Coventry, developed a project management structure that focusses on aligning outcomes and impact with our strategy and extracting learning from implementation.

We **commissioned a workforce development review by the Centre for Charity Effectiveness (CCE)** to explore the extent to which our current approach to pay and reward was fit for purpose and to better understand the implications of this for recruitment and retention. The findings have led to the development of a workforce development sub-committee of the Board and the recruitment of a workforce development consultant to work with us over the financial year 2023–24.

Development of staff

All staff continued to benefit from development and training to meet needs identified through the charity's staff appraisal process.

Volunteers

Volunteers provide invaluable support to our work across both our offices. We had over 200 volunteers supporting work in all of the teams during the year with the majority being drawn from Law Schools in Universities in the region.

Volunteer solicitors and barristers acting in a Pro Bono capacity from a range of Law Firms, including Allen & Overy, Capsticks, St Phillips Chambers and Littleton Chambers add capacity to our employment advice helpline.

The Kids in Need of Defense UK collaboration was supported by over 680 volunteers from 43 corporate law firms and in-house legal departments, as well as 20 student volunteers from Birmingham City University. More details can be found at: [Our Partners – Kids In Need Of Defense UK](#)

Service delivery

We provide a comprehensive service: encompassing casework, representation, legal education and rights-awareness raising, as well as working with partners to influence service delivery and knowledge of people's rights.

Coventry

In Coventry, we offer free advice and representation in the following areas of law:

- Employment and Discrimination
- Family
- Immigration and Asylum
- Housing
- Health and Social Care
- Public Law
- Welfare Benefits

We primarily advise residents of Coventry and those who work in the city with some reach into Warwickshire. The areas of law covered under legal aid contracts are housing, community care, family, asylum, discrimination, and public law.

We benefit hugely from funding from Coventry City Council and an expanding range of other forms of funding to provide services. Other funding we have received has supported a programme of work that focuses on particularly vulnerable groups of people.

In 2022–23 we began these new activities in Coventry:

- An initiative in collaboration with Coventry City Council – Migrant Rights in the Community Project (MRIC). Through outreach, training and awareness raising for staff and volunteers about migrant rights in schools, foodbanks, community organisations and family hubs we are reaching people whose immigration status is impacting on their ability to access services and support.
- With funding from the NHS Innovation Fund a project to deliver intensive support to people with poor mental health issues focussing on early intervention and solutions that prevent people reaching a point of crisis.
- With funding from the Nuffield Trust to partner with Warwick University and Law for Life and 7 community partners to undertake a Coventry Legal Needs study to understand the experiences of marginalised groups in dealing with law-related issues. In contrast to traditional legal needs studies, the study uses qualitative methods, has a local focus, and offers community partners the opportunity to participate in public legal education (PLE) workshops based on emerging findings.
- We have received funding from the Legal Education Foundation Justice Lab to work in partnership with Policy in Practice who are the developers of the Low-Income Family Tracker to pilot how administrative data in the dashboard can be used to demonstrate the impact of specialist legal advice.

As part of our work to respond to the cost-of-living crisis we have undertaken the following:

- A number of projects in collaboration with the benefits and revenues, transformation and customer services team at Coventry City Council in order to improve access to early specialist advice for people accessing Council support. As members of the Low-Income Family Tracker project board alongside Council staff, we have scoped projects that identify groups of people that with specialist legal advice could have significantly better outcomes and financial support.

We have focussed on people impacted by sanctions, the benefit cap and those with NRPF struggling to access their entitlement to free school meals. We launched a campaign including a bank of written resources and training/awareness raising activities to help voluntary sector partners and individuals gain the knowledge and confidence needed to challenge sanctions.

- With Grapevine Coventry and Warwickshire, we have convened a Coventry Poverty Alliance bringing together over 100 organisations in the voluntary, community, faith and statutory sector working on the front line responding to the cost-of-living crisis. As well as gathering information from the front line on the scale of the crisis it is also aiming to build collaboration across the city to reach the most vulnerable.

In 2022–23 we continued to deliver the following activities in Coventry:

- With funding from Coventry Building Society to support our housing team in its homelessness prevention work we can also provide intensive support to people with mental health challenges.
- Virgin Health provide funding for us to advise people at The Anchor Centre, a medical centre for those who are homeless or insecurely housed.
- The Smallwood Trust continued to fund us to work in partnership with four women's organisations, as part of the Coventry Women's Partnership, to improve economic outcomes for women by providing joined up front line support. We employ an immigration adviser to focus on the legal needs of victims of domestic violence and a generalist caseworker to support women with a range of legal needs to access legal advice from across the Law Centre.
- In partnership with Coventry City Council, we have received funding to assist people with complex cases in securing EU settled status.
- We are subcontracted by Voluntary Action Coventry to run an Independent Health Complaints Advocacy Service (IHCAS) providing a casework service to support clients in progressing formal complaints regarding health services, including those provided by dentists, GPs, NHS hospitals or care in a private hospital if it was paid for by the NHS, as well as complaints about NHS Continuing Healthcare. Where appropriate, the service also supports clients to complain to the Parliamentary and Health Service Ombudsman. We will stop delivering this service in June 2023.
- We continue to partner with both Coventry University and the University of Warwick, who provide funding for supervision of their students to run advice clinics alongside our staff. We also deliver the Strategic Justice Law Clinic, a joint initiative with Warwick Law in the Community (LinC). It specialises in using public law strategically to address systemic disadvantage and achieve effective change. As part of SPLC, students work on a variety of projects that we would be unable to pursue without their support. Overall this year, 100 students have assisted in increasing our capacity in employment and immigration advice in Coventry, as well as representing clients in disability benefit appeals and supporting our public law work.

Birmingham

In Birmingham our focus is on upholding the rights of migrants, including tackling destitution and homelessness, and on building new services that are relevant for the local community. In Birmingham, we offer free advice and representation in the following areas of law:

- Employment Discrimination
- Housing
- Immigration and Asylum
- Welfare Benefits
- Health and Social Care
- Public Law

The Oak Foundation provided core funding for our work in Birmingham, providing a secure base for our other projects and legal aid contract services.

Our partnership with Birmingham City University, who provide funding for supervision of their students to run advice clinics alongside our staff, continues. This year 100 students have assisted in increasing our capacity in employment, immigration advice, housing advice, as well as representing clients in disability benefit appeals.

We have continued to work in partnership with local frontline organisations Hodge Hill Hub and ASIRT (until their closure in February 2022) which has enabled us to provide benefits, immigration and community care advice to their most vulnerable clients.

In 2022–23 we began these new activities in Birmingham:

- A Birmingham NRP domestic violence network – with Birmingham and Solihull Women's Aid, Red Cross, Baobab, Roshni and Refugee and Migrant Centre. Our role is to provide legal advice and representation to clients referred into the network who need to access the Domestic Violence Concession scheme as well as women seeking protection from their abusive partners who need legal advice to access welfare benefits and other services they are entitled to. Our service is direct referral which means women do not need to tell their story multiple times and can benefit from help across the network. Together we are advocating for local solutions for women who are not entitled to the Domestic Violence Concession scheme and changes to the law so more women with no recourse to public funds in abusive relationships can change the conditions of their leave to remain and receive support to escape domestic abuse.
- With funding from the Fairers Future Fund increased capacity to support people with insecure immigration status including survivors of domestic abuse with advice around entitlements to welfare benefits and other services.

National reach projects

- We continue to lead a consortium funded by Paul Hamlyn Foundation, Barrow Cadbury, Esmée Fairbairn Foundation, Oak Foundation, Trust for London, AB Charitable Trust, City Bridge Trust and Microsoft, which has established a pro bono service for children to receive immigration

advice. It is called Kids in Need of Defense UK. It has so far helped more than 2,000 children with citizenship or leave to remain applications.

- We are continuing to support the charity, Access Your Right to Social Care, providing legal expertise and strategic support in their third year of operation.

Our impact

To read more about our impact see [CELC impact report 2022-23 \(centralenglandlc.org.uk\)](https://centralenglandlc.org.uk)

Our activity in numbers

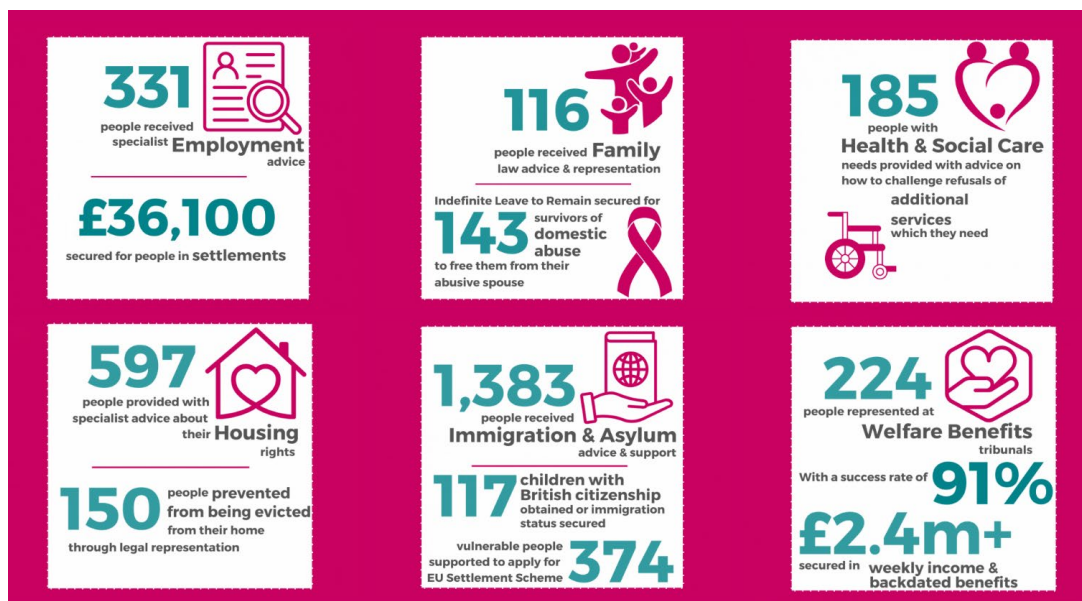
During 2022/23 we responded to over 7,000 enquiries for legal advice across our two offices. We provided 4,237 people with legal advice on how to resolve their issues. This included starting new legal casework and representation to 1,446 people. We also continued to work on (and conclude) 1,577 cases that had been started in previous years.

In Coventry we started 949 new legal cases, concluded a further 493 cases that had been opened in previous years and continued to work on 728 cases which had been opened in previous years which had not yet reached their conclusion.

In Birmingham we started 308 new legal cases, concluded a further 165 cases which had been opened in previous years and continued to work on 191 cases opened in previous years which had not reached a conclusion.

We were unable to provide advice to 1,351 people with enquiries for areas of social welfare law that we cover as we did not have capacity in our legal teams to respond (19% of all enquiries).

Key outcomes of our work for people



Key outcomes of our partnership and policy work

- We provided a full response to a survey on the gender Gap in Access to Civil Legal Justice in England and Wales by the Womens Budget Group with many of our recommendations included in the final report included.
- We have secured support from West Midlands Combined Authority for facilitation support to use the [Commitment to Collaborate to Prevent and Relieve Homelessness Toolkit](#) with CRISIS Skylight in Coventry.
- We have been commissioned by the Law Centres Network to support a Baring Foundation funded hub model project as a learning partner. This involves supporting other Law Centres who are seeking to expand their offer to make strategic change in their community in partnership with their community based partners.
- We supported Asylum Matters campaign on the illegal immigration bill securing Coventry City Council's signed pledge to defend the right to seek safety from war and persecution in the UK.
- A panel of speakers from our housing, public law, immigration and health and social care team at the West Midlands Combined Authority NRPF Homelessness Task Force Conference followed by policy recommendations on how 'Exhausting All Options' can be put into practice nationally and locally.
- With Grapevine we hosted an event to bring together 37 organisations across Coventry for an urgent conversation about poverty. From this The Poverty Alliance has been formed with the aim of initiating discussion about poverty in the city and identifying practical activity and initiatives for frontline services.
- We have secured some very important judgements in strategic litigation cases this year. Our approach has been to focus on working with our community partners, intelligence from our own casework and enquiry data to emerge issues for strategic litigation. Through this our public law team have secured the following improvements to law and policy via:
 - A judgement requiring Birmingham City Council to publish a new NRPF policy immediately raising support levels of all families in the city being supported under the policy by approximately 30%, many of whom will now be receiving welfare-benefits levels of support. Other local authorities must now review and amend NRPF policies in order to make sure they comply.
 - A judgement that means families with pre-settled status under the EU settlement scheme will now be assessed and supported by Birmingham Children's Trusts NRPF team. Subsistence payments in line with the NRPF policy will be applied to these families; they will have access to suitable, long-term accommodation from Birmingham's stock.
 - A court of appeal ruling on the unlawfulness of the DWP's position to not provide advance payments to people making a UC claim, who had not yet received a NI number. This will prevent destitution for many people currently without income for 5 weeks while their UC claim is processed.
 - Permission granted for the Law Centre to challenge the lawfulness of current rules that exclude people with pre-settled status under the EU Settlement Scheme (who have no recourse to public funds) from accessing the Domestic Violence Concession Scheme –

which allows access to public funds temporarily to survivors of domestic violence to escape their abusive partners.

Beneficiaries of our services

We seek to make our services accessible to those who are vulnerable, disadvantaged and socially excluded. The need within the populations we service is high.

Coventry's population was 345,300 on Census Day 2021. [Facts about Coventry | Coventry City Council](#) provides the following insights into the needs of the residents of Coventry:

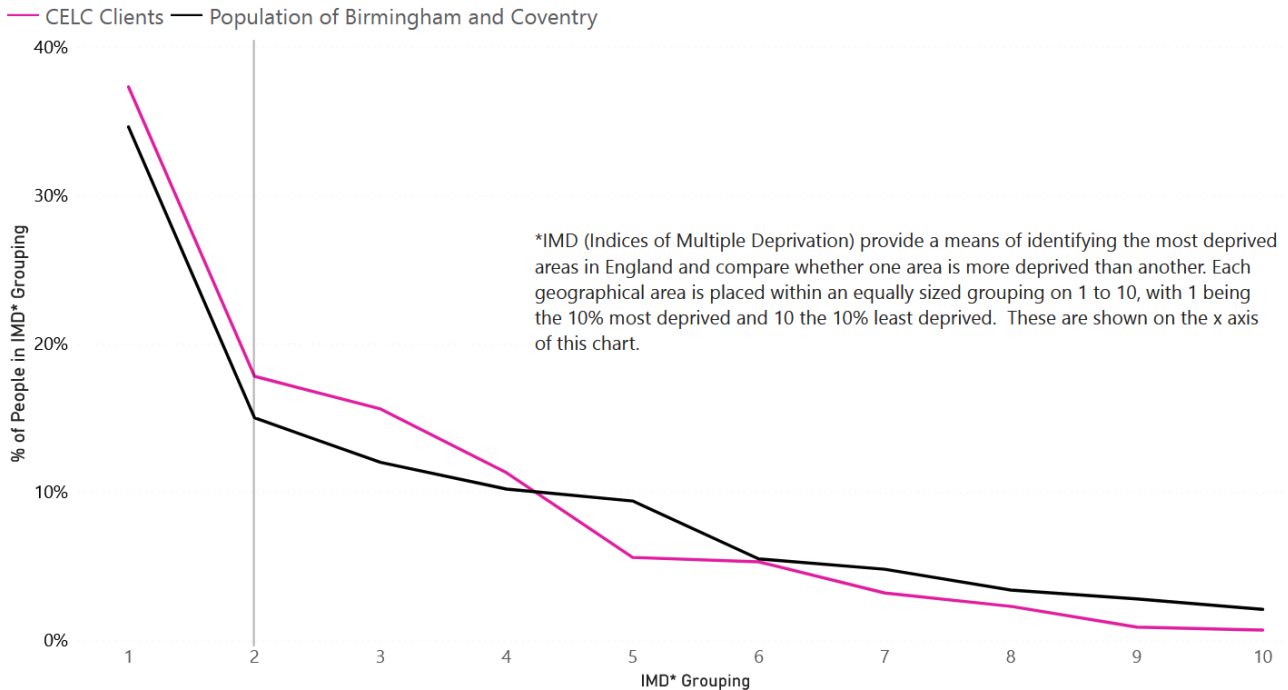
- 14% of residents lived in neighbourhoods in the top 10% most deprived in England.
- 37% of children in Coventry live in poverty, rising to 53% of children in poverty in St Michaels ward.
- 18% of households in Coventry are in fuel poverty, compared with 13.5% nationally.
- 14.4% of children are judged to be living in multiple deprivation.
- 17.7% of the population has a limiting long-term health problem or disability; the premature death rate and infant mortality rates are both higher than the national average and average life expectancy is shorter than the national average by a year for both males and females.
- The numbers of children looked after by the local authority per head of the under 18 population is almost 24% higher than the national average.
- 9.1% of residents have no qualifications.
- 17.3% of households have no working age residents, compared with the national average of 13.3%.
- Average annual income per head is £15,363, compared with an average of £21,609 nationally.

Birmingham's resident population is recorded as 1,144,900 according to the 2021 Census. An estimated 238,313 Birmingham residents were born overseas, of these, 44% (103,682) have been resident in the UK for less than 10 years. 2.4% of the population do not speak English well or at all. This is more than twice the regional and national averages.

Birmingham is ranked the third most deprived core city in the UK, behind Liverpool and Manchester, and is ranked the most deprived in terms of both income and employment deprivation.

- 43% of the population live in LSOAs in the 10% most deprived in England
- 51% of children (under 16s) live in the 10% most deprived areas
- 28% of children live in income deprived households
- 26% of over 60s are income deprived
- The city is also the most deprived authority in the West Midlands Metropolitan area.
- 15% of the population has a long-term health condition or disability that limits their daily activity.

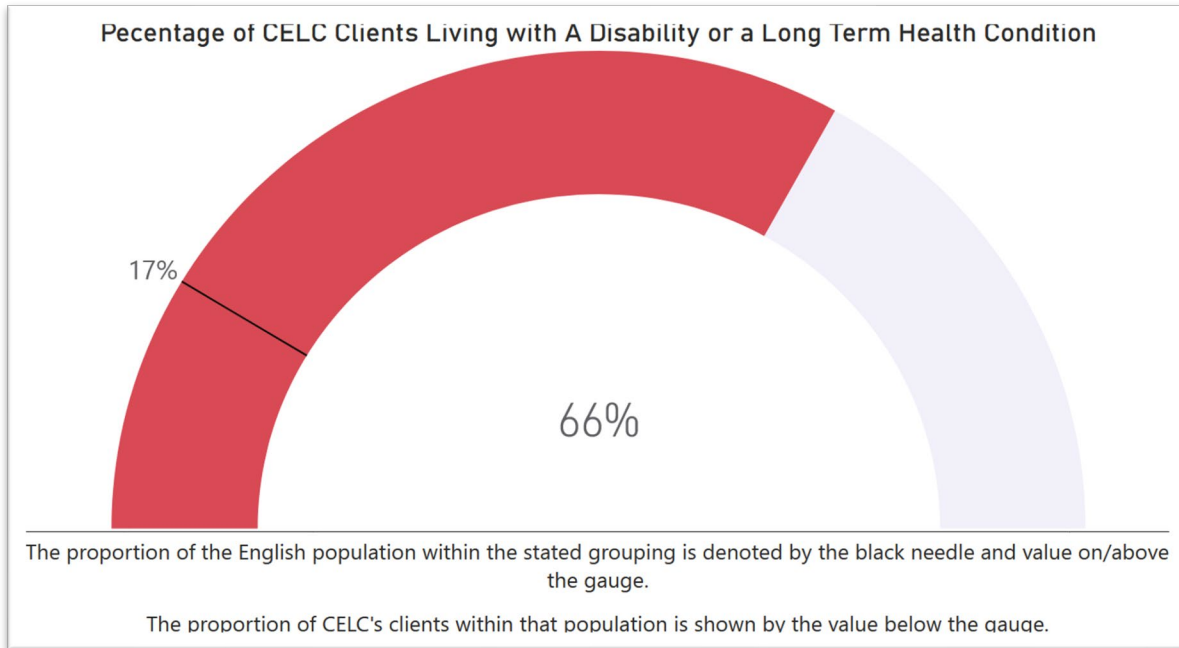
Over 50% of CELC cases come from the 20% most deprived areas in the UK



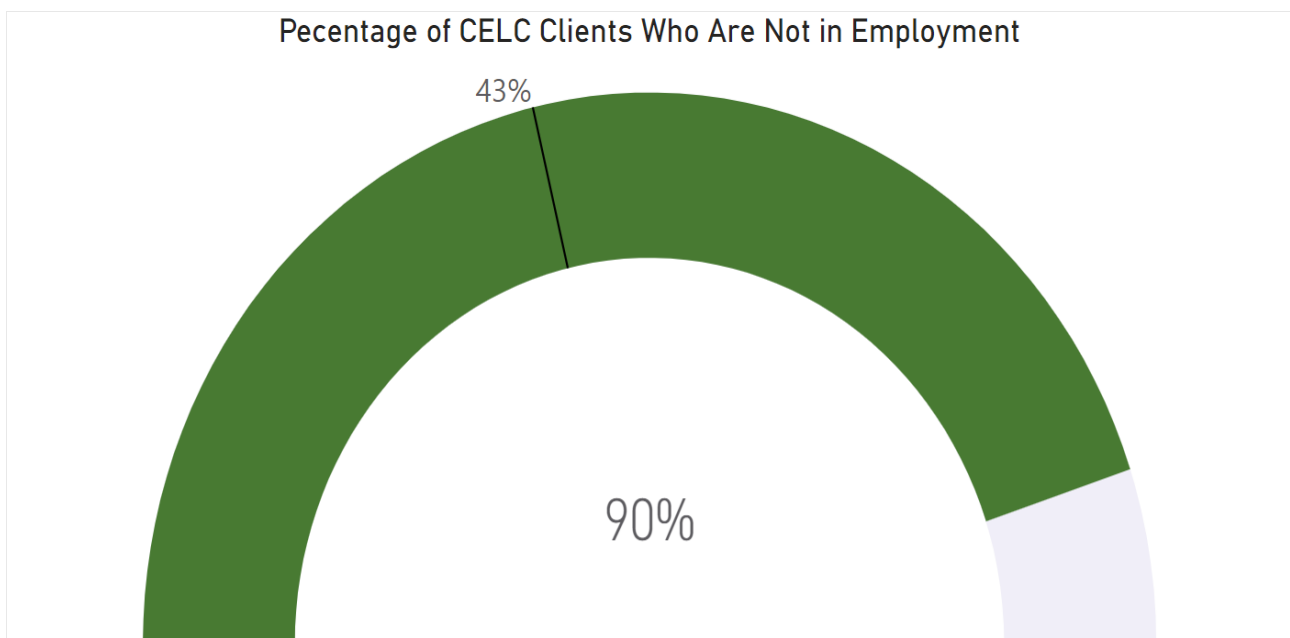
We ensure our services reach those who are most vulnerable by working in partnership with other agencies and community organisations to reach those people living in the most deprived areas of the city and those who are disabled or have physical or mental health problems. We prioritise cases where discrimination is a factor.

We are able to collect demographic information from clients that we provide a full casework service to and some clients that we provide one-off advice to (it is often easier to do this in formal settings like at a Housing Duty Scheme at court or an in-person, drop-in clinic). The data presented here is given in proportional figures only and is based on the actual responses we obtained. It is assumed that where clients have declined to give data, they are not substantially statistically different from those clients who do provide demographic information. The characteristics of the people we have helped during 2022/23 are set out on the following pages.

Disability: Across both offices 66% of our clients, we have engaged with have been disabled. This compares to a national figure of 17% of the English population.



Employment status:



The proportion of the English population within the stated grouping is denoted by the black needle and value on/above the gauge.

The proportion of CELC's clients within that population is shown by the value below the gauge.

Though the age groups most likely to be economically active form the largest proportion of our client base, the majority (90%) of our clients were not working at all (either unemployed (52%), retired (2.5%), on long term sick leave (26%), or in full-time education (1.8%)) and only a small number (3.5%) were in full-time employment.

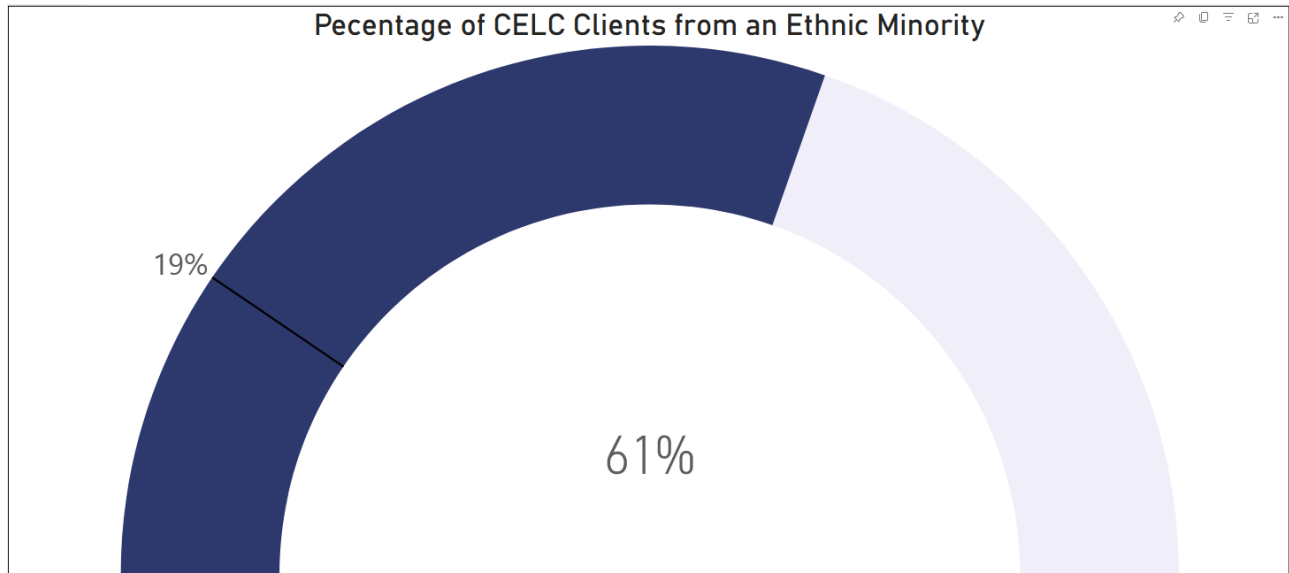
Around 45% of all people over 18 in the UK are classed as unemployed (they are looking for work but do not have a job currently) or 'economically inactive' (they don't have a job and are not looking for work). Around 60% of 'economically inactive' people are over-65 and likely to be retired, though some over-65s are still in or looking for work. Of the other 40% of economically inactive people, many are either in poor health or working as unpaid carers; someone is around five times more likely to be in poor health if they are unemployed, and around four times more likely to provide more than fifty hours per week of unpaid care. ¹

Ethnicity:

61% of CELC clients identify as People of Colour. This is contrast to the 19% of the national population.

¹ UK Census 2021

The ethnicity profile of clients is shown below² and represents a significant (71%) use of our services by minority ethnic groups. Both Coventry and Birmingham locations see a higher overall proportion of non-white service users than is represented in the local population³.



The proportion of the English population within the stated grouping is denoted by the black needle and value on/above the gauge.

The proportion of CELC's clients within that population is shown by the value below the gauge.

Financial review

Financial stability

In 2022/23 CELC reported an overall net increase in unrestricted funds of £480,273 (after actuarial gains of £512,000 relating to the West Midlands Pension Fund). General funds as at 31 March 2023 were £1,433,528 which is above the range Trustees have approved in the reserves policy below based on guidance outlined by the Charity Commission. The Trustees are aware that funds have increased due to the current defined benefit pension scheme deficit having been capped at nil value and that excluding that movement, the unrestricted funds would have decreased in value by £31,727 over the year.

The effects of COVID-19 still impact on Legal Aid income in 2022/23, most notably the suspension in evictions during the pandemic period on the casework of our housing team. The lifting of restrictions has meant that the Legal Aid teams have returned to working in the office, but there remains a lag in the return to previous volumes of work. Difficulties in recruiting suitably qualified

² Only declared ethnicities are shown. 19% of Birmingham clients and 35% of Coventry clients did not declare an ethnicity.

³ Local population demographics for 2020 estimated using 2001-2011 Census data and 2018 estimates by Coventry City Council and Birmingham City Council, using a linear proportional regression following existing demographic proportion trends.

staff has also restricted this work. Legal Aid income increased slightly over the previous year but was below the level that might have been predicted pre-pandemic.

The impact on our budgeted grant funding was fortunately limited as we managed to renegotiate timelines and delivery methods with our funding partners where necessary. We also worked closely with our university partners in adapting our student clinics to align with their COVID safe practices so our work could continue.

Costs during the period have started to move closer to a pre-pandemic position, although it is anticipated that some changes will continue on a permanent basis. Savings have been made by adopting mixed work at home and in the office policies, whilst Covid adaptations and practices have led to increased costs. The current inflationary environment has caused both staff costs and overheads to increase at a much greater rate in comparison to recent years.

As in previous years, several new restricted and unrestricted grants from funders were secured to support current and new services and, to replace funding streams that came to cessation during the period. This enabled an expansion of services when they were most needed whilst maintaining financial stability. These grants funded additional staff and overhead costs whilst also substituting for some of the reduction in Legal Aid income, as resources were reallocated to support the new sources of funding. The increase in income means continued work with partner organisations beyond 2022/23. After review, the Trustees decided to de-designate the Legal Support Fund as its purpose fell within the primary objective of the charity.

We received further funding (£100K) from Unbound Philanthropy in 2022. Funding from this donor was restricted to expenditure on the KIND project in the past. The nature of this grant means that it is regarded as unrestricted income but the funds were exclusively to be used in the furtherance of the objectives of KIND. Therefore, as it is not regarded as being available as part of the general funds of CELC, the trustees allocated these funds to the KIND Unbound Philanthropy Designated Fund.

The designated transformation fund balance reduced as funds were allocated to improve the management structure, policies, procedures and governance of the organisation.

In 2021/22 the trustees undesignated £600,000 that was originally allocated to cover any liability that might arise due to a defined benefit pension crystallisation risk. (See note 17b to the financial statements). Having taken external legal advice and having modelled the possible outcome scenarios from such a debt crystallisation, the Trustees deemed the fund unnecessary.

The Coventry offices of CELC are occupied under a sub-lease with the primary lessee of the property. It came to the attention of the Trustees in the previous year that the primary lessee was uncertain as to whether they would renew the existing lease with the ultimate landlord. The lease agreement provides for the property to be returned to its original condition as at the time the agreement was entered into. A schedule of dilapidations was commissioned by the primary lessee. CELC's share of

the dilapidations schedule is currently an estimated cost of £163,000. In accordance with recommended practice, an amount of £15,000 has been recognised as an expense in the current year and is recorded as an addition to the provision for liabilities and charges in the balance sheet. With uncertainty as to the final future value of the dilapidations, the Trustees decided to allocate a further £52,000 to a designated fund in 2022 to provide for any increase in the cost. As more information about the premises and possible future liabilities became available, the Trustees decided that the designation over and above that provided in the provision was no longer required. Should the lease be terminated, CELC will need to move to new premises, either leasehold or freehold. The Trustees have allocated £415,000 to the Property Security designated fund to cover the costs of a deposit payment on a suitable premises should a freehold property be acquired, legal fees and relocation costs.

The Trustees are aware of the financial difficulties being faced by employees in the current "Economic crisis." A sum was allocated in 2021/22 to a Cost of Living fund to provide for a one-off payment to staff in the year 2022/23, which was duly paid in September 2022.

Fundraising

The charity received £20,944 from unrestricted donations. One significant donation was received from Crispin Passmore Consulting Ltd (£16,126) The charity's main funding sources are grants and contracts. The charity does not employ professional fundraisers and does not seek to fundraise from the general public. No complaints concerning fundraising were received in the year.

Pension fund

The charity is an admitted body member of the West Midlands Pension Fund. This is a multi-employer pension scheme providing benefits based on career averaged re-valued earnings. Details of the pension scheme are included in note 22 of the financial statements and any potential risk attaching is noted in the principal risks and uncertainties below.

Public Benefit

The trustees have considered the Charity Commission's requirement in respect of Public Benefit. In their view the charity meets, in full, the criteria to satisfy the test. The trustees' annual report has described earlier in this report the activities undertaken to further its charitable purposes for the public benefit.

Principal risks and uncertainties

The Board of Trustees routinely reviews the major risks to which the charity is exposed, and a risk register is established. This is reviewed by the Trustees Board at least twice a year along with a review of performance against the business plan. The Risk Register has been developed in line with Charity Commission guidance and the requirements of LEXCEL. It includes an assessment of risk across the areas of Governance, Strategy, Operations, Compliance, Fraud and Dishonesty, Finance, Competence and Conflict, and Confidentiality.

Each risk is assessed by impact and likelihood and given an overall risk rating. The actions that are being taken to mitigate, transfer, reduce or avoid the risk are detailed along with the internal resources to support the actions.

The most significant risks to the charity are reduction or loss of funding from the Legal Aid Agency or the charity's main funder, Coventry City Council. The Legal Aid contract is very closely managed, with significant emphasis on contract compliance and ensuring that income targets are met. These arrangements have been stress tested by all the changes to working arrangements necessitated by the pandemic and they have proven resilient.

Coventry City Council continues to place a high priority on funding for our service, but a future reduction remains a risk given the continuing pressure on local authority finances. This risk is managed by a strategy of maintaining strong relationships and providing regular updates on the impact of the charity's work.

The charity also has a strategy of bidding for funding from other sources. This has been successful, and the charity has seen an increase in the number of its funders, as well as a significant overall increase in its funds. This approach is underpinned over the next five years by work to implement the organisational strategy, providing a framework to allow applications for unrestricted funding. This approach is proving successful, large grants having been awarded from Esmée Fairbairn Foundation and The Legal Education Foundation.

The other key risk to financial stability is the liability currently arising from membership of the West Midlands Pension Fund. Trustees took the decision in May 2007 to close the pension scheme to new members and to manage this risk. Alternative pension provision was established. The trustees have taken account of the guidance issued by the Charity Commission on Charity Reserves and Defined Benefit Pension Schemes. This highlights that, in considering the position in relation to the FRS 102 valuation, trustees should take account that the deficit does not crystallise immediately but must consider the impact on future cash flow due to increased contributions reducing the deficit. In this context, the Trustees have corresponded with the West Midlands Pension Fund and have built the future planned contribution rates into their cash flow projections. The Trustees are satisfied that planned increases can be accommodated and will not therefore impact negatively on future operational plans and budgets. No deficit recovery payments are due to be paid in the period April 2023 – March 2024. In November 2020 Coventry City Council agreed to provide a pension guarantee to the Central England Law Centre and subsequently a "Guarantee document" and memorandum of understanding has been agreed between the Law Centre, the West Midlands Pension Fund and Coventry City Council. The guarantee provides protection to the Central England Law Centre in the event of pension debt crystallisation. Although the current pension valuation would indicate that there are an excess of assets over future liabilities at the 31st March 2023, there is no guarantee that this situation will continue. The charity cannot utilise these funds in day to day operations. The Trustees have decided therefore to cap any valuation indicating an excess of assets at zero for the purposes of the accounts.

Reserves policy and going concern

The trustees have reviewed the charity's need for reserves in line with the guidance issued by the Charity Commission and have developed a risk-based reserves policy. The policy is reviewed annually or more frequently, there being a change to the perceived associated risk. The objective of the policy is to strengthen CELC's financial resilience whilst avoiding holding funds unnecessarily. Restricted fund balances at the balance sheet date amount to £165K, these are utilised only in accordance with the funders stated objectives and are not available for the charity's general use. The trustees have allocated £621K to designated funds (Outlined above) within the free reserves to provide for future expenditure and liabilities to leave a general fund balance £1,434. There is no pension reserve as of 31st March 2023 following the most recent valuation and the decision to cap any net asset value at a nil balance.

The current general fund reserves target as approved by the Board of Trustees is £1,054K. This is based on an assessment of the risks to CELC and the finances required to ensure the charity can carry on its activities, after allocation to designated funds, in the event of unplanned changes to its financial circumstances. The risk factors that have been taken into account include:

- Reliance on Coventry City Council as a key funder.
- The short-term nature of many current funding agreements.
- CELC's ability to reduce costs without having an impact on income streams; and
- The level of unrestricted reserves held as work-in-progress (representing Legal Aid casework in process) which are funds that are not readily available in liquid form.

The level of free reserves currently exceeds the target set by Trustees. Plans have been put in place to reduce this balance by increasing expenditure on the development and volume of charitable services. In the year to March 2023 free reserves expenditure exceeded income and this has continued in the year to March 2024. In addition, some of the funds held have been received in the current year but are committed against expenditure to be incurred in the following year inflating the value of the fund balances.

The trustees have a reasonable expectation that the charity will continue in operational existence for the foreseeable future (That being 12 months from the date of signing this report) and have therefore, used the going concern basis in preparing these financial statements.

This is based on the following assessment:

- The 2022-23 financial statements show CELC general funds of £1,434K which is in excess of the approved reserves range as outlined above.
- The balance sheet shows net assets of £2,219K, the defined benefit pension scheme liability having been capped a nil balance in the year.
- In February 2023 the trustees approved the budget for 2023-24 showing a surplus of £151K, of which £377K was deferred income that was brought forward from the previous year on the basis that those funds should have been applied in 2022-23. The excess of expenditure over income on restricted funds was predicted to be £7K after bringing forward

£193K unspent in the previous year. The unrestricted funds will show a deficit of £33K but after applying funds brought from the previous year, £192K the excess agreed was £159K.

- The three-year development plan approved by trustees, including risk-based scenario planning such as cuts in grant funding and an increase in pension deficit forecasts a small decrease in the general funds over that time.
- The latest cashflow forecast (November 2023) indicates a balance of £1,054K at the month end November 2024.
- The defined benefit pension scheme liability with The West Midlands Pension Fund and any further debt on crystallisation risk is protected by a guarantee agreed with Coventry City Council subject to the conditions outlined in note 17a to the financial statements.

Investment policy

The trustees are empowered by the Articles of Association to invest the charity's money as they see fit and make their decisions with reference to the Charity Commission's guidance.

Plans for the future

We have identified the following priorities for 2023–24

So more people will know their rights and have access to justice leading to greater prosperity for individuals who are marginalised and disadvantaged we will seek to:

- Provide specialist legal expertise in Housing, Employment, Discrimination, Family, Public Law, Welfare Benefits, Immigration & Asylum and Community Care
- Provide holistic, wrap around intensive support for the most disadvantaged people
- Maintain and apply for Legal Aid contacts to support the delivery of our specialist areas of law and maintain relevant accreditation to continue and expand our work.
- Design and deliver effective and understandable public legal education on key rights
- Develop a workforce plan to invest in current and future generation of social welfare Lawyers.; investing in staff training and development; recruiting and training future lawyers; ensure staff wellbeing.
- Review and strengthen internal processes and policies and ensuring that we have an organisational structure with a skilled management and support systems to provide efficient systems and ways of working that will enable us to meet our aims.
- Expand our offer for the people of Birmingham supported by a new staff member to lead on development and partnerships in Birmingham.

In order that the social action and social justice work of organisations, practitioners and activists becomes more effective in enhancing legal capabilities of local communities and delivery of services we will seek to:

- Providing training, public legal education and support to voluntary and statutory partners and organisations so they better understand how rights and their power relates to their work.

- Develop and deliver legal education to front line workers in organisations and direct support to identify when the people they support need legal advice and referral pathways.
- Develop and maintain partnerships and funders that recognises the links between legal issues, poverty and health and inequalities including piloting a Health Justice Partnership with Coventry and Warwickshire ICB.
- Be a critical friend with key stakeholders and statutory organisations to help them better understand how system failure impacts on people's health and income.
- Maintain and expand relationships with universities and expand law clinics to deliver advice clinics to reach more marginalised communities.
- Develop and learn from client focus groups who have lived experience.

Through better coordinated, more effective action on shared priorities with our communities, we will work with policy makers to improve policy and systems and their application and effect change to the law where needed by seeking to:

- Develop systems to understand the needs of our community – e.g. data collection systems, research, collaboration with partners, staff and client experiences. We will build on the findings of the local legal needs research project concluding this year.
- Provide staff the opportunities to develop capacity and skills to identify, prioritise and respond to the issues our community is facing including taking strategic legal action.
- Maintain and develop a proactive Public Law Team who work alongside all legal teams within the Law Centre Collect.
- Report and communicate evidence of the difference our work makes to people's lives including commissioning external evaluations.
- Undertake strategic communications work using targeted messages and channels appropriate for all our audience.
- Respond to consultations, calls for evidence, surveys and evaluation initiatives and local and national campaigns. We will contribute the Civil Legal Aid review and push for improvements to the legal aid system and promote access to justice for the most disadvantaged.

Structure, governance and management

Central England Law Centre Ltd was registered with the Charity Commission and at Companies House in May 2015. It was formed following a special resolution passed in March 2015 to change the name and memorandum and articles of association of Coventry Law Centre Ltd, which was formed on 29 January 2001, acquiring the assets of Coventry Legal & Income Rights Trust which had been operating since 1976.

The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.

The directors of the company are also known as trustees for the purposes of charity law. All trustees give their time voluntarily and received no benefits from the Charity. Any expenses reclaimed from the charity are set out in note 6 to the accounts.

Organisational structure

Central England Law Centre Ltd has a Board of up to 10 trustees who meet regularly at monthly board meetings, informal sub-committee meetings and by attendance at trustee away days. The trustee board are responsible for the strategic direction and policies of the charity. Elayne Hill, the Company Secretary and Chief Executive, attends all meetings of the Board but is not a board member.

Responsibility for the provision of services and for the delivery of the business plan is delegated to the Chief Executive. The charity operations are guided by policies which are approved by the trustees, and which provide a framework for the day to day running of all aspects of the organisation.

Responsibility for professional conduct and for meeting Solicitors Regulation Authority requirements is delegated to Lydia Nash, Solicitor and Head of Legal Casework and Compliance.

The charity employs 69 staff (as at 31st March 2023), of whom 48 are engaged in the direct provision of services.

The Law Centre holds the Specialist Quality Mark in each of the areas of law in which it offers advice and representation. This provides a structure for the delivery of advice and representation and sets standards for training of staff and for supervision of these services, which is delegated to each of the team supervisors.

Appointment of trustees

The Articles of Association state that one third of the trustees should retire by rotation. Thomas Bannister, Richard Alomo, and Christopher King will retire and being eligible, will stand for re-election.

The nature of the work of the charity means it is important to maintain a skill mix amongst the trustees which includes knowledge and understanding of legal advice and representation, as well as an understanding of the issues relating to social exclusion and the specific social welfare needs of the population in the area in which the charity operates.

The charity has been successful in attracting several people with experience in legal advice and representation, as well as representatives from the local authority and trustees with experience of equality issues. Business and finance skills are also well represented within the trustee body, with one trustee being qualified accountant and others having experience of running their own businesses.

Potential new trustees are given a 'job description' and person specification for the role and are invited to submit an application and to attend an interview with the Chair, and the Chief Executive.

Trustee induction and training

New trustees attend the Centre for a brief introduction to the work of the charity. They are provided with an information pack which covers:

- Their obligations as trustees;
- Memorandum and Articles of Association;
- Previous year's annual report and accounts; and
- Current year's business plan.

Training sessions continue to focus on the work undertaken by the organisation, allowing trustees to have more contact with staff and to gain an insight into the issues they face. In addition, where necessary, training takes place as part of the monthly meetings to ensure that issues being discussed are fully understood by trustees.

The Board undertakes an annual self-evaluation of its effectiveness. This enables identification of any skill gaps, and of the training needs of the Board. From this, an annual training plan is drawn up. In addition, the effectiveness of working arrangements and information reporting is reviewed, and changes made where necessary.

Related parties and relationships with other organisations

Central England Law Centre is a member of the Law Centres' Network. This is the national body which sets the framework for the operation of Law Centres, and membership is obligatory for any organisation which wants to operate as a Law Centre. The Law Centre's Deputy Chief Executive, Claire Stern served on the Executive of the Law Centres' Network in 2022-23 and Lydia Nash, Director of Legal Casework and Compliance has been elected to represent the Law Centre from April 2023.

The Law Centre works in partnership with other organisations where this assists in achieving our goal of reaching clients who most need our services and who may be hard to reach, and where the partner organisation offers complementary services that improve the overall effectiveness of our specialist legal advice. For example, we are partnering with Foleshill Women's Training, Kairos WWT, CRASAC and Coventry Haven Women's Aid in Coventry Women's Partnership to deliver a holistic programme of support aimed at improving women's financial security. We provide a drop-in service at Hub Hodge Hill in Birmingham which is part of the Open Door Community Foundation. We are also working with KIND Inc., a US based organisation, Islington Law Centre, Just Right Scotland, Coram Children's Legal Centre and Greater Manchester Immigration Aid Unit in a collaboration called Kids in Need of Defense UK. This is a national pro bono initiative to provide immigration advice to children.

We also work with local universities to provide volunteering opportunities for students and to extend our capacity to provide free advice. The Universities involved are Coventry, Warwick and Birmingham City University.

Remuneration policy for key management personnel

The remuneration policy for all personnel with the exception of the Chief Executive is determined by a salary scale which is reviewed for potential cost of living increases annually by trustees. Trustees may review the scale itself from time to time, and in doing so would take account of market rates in comparable organisations. Trustees approve all salaries individually when they set the budget at the start of the year.

The salary for the Chief Executive was assessed by reference to market rates in comparable organisations when the post holder was appointed. It has been reviewed for inflation in line with other salaries in the organisation.

Funds held as custodian trustee on behalf of others

Central England Law Centre does not perform this function.

Statement of responsibilities of the trustees

The trustees (who are also directors of Central England Law Centre Limited for the purposes of company law) 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).

Company law 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 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 judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping adequate accounting records that 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 so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware;
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Central England Law Centre Limited

Trustees' annual report

For the year ended 31 March 2023

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.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2023 was 9 (2022: 8). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' annual report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The trustees' annual report has been approved by the trustees on 28th November 2023 and signed on their behalf by

Keith Wilding
Chair

Independent auditor's report

To the members of

Central England Law Centre Limited

Opinion

We have audited the financial statements of Central England Law Centre (the 'charitable company') for the year ended 31 March 2023 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

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

Conclusions relating to going concern

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 Central England Law Centre's ability to continue as a going concern for a period of at least twelve 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 sections of this report.

Independent auditor's report

To the members of

Central England Law Centre Limited

Other Information

The other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine

Independent auditor's report

To the members of

Central England Law Centre Limited

is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.

Independent auditor's report

To the members of

Central England Law Centre Limited

- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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

Use of our report

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

Fleur Holden (Senior statutory auditor)

12 December 2023

for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108–114 Golden Lane, LONDON, EC1Y 0TL

Central England Law Centre Limited

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2023

| | Note | Unrestricted £ | Restricted £ | 2023 Total £ | Unrestricted £ | Restricted £ | 2022 Total £ |
|---|------|-------------------|------------------|--------------------|-------------------|------------------|--------------------|
| Income from: | | | | | | | |
| Donations | 2 | 20,944 | 600 | 21,544 | 72,568 | 600 | 73,168 |
| Charitable activities | | | | | | | |
| Legal and other advisory services | 3 | 1,109,258 | 1,574,667 | 2,683,925 | 948,112 | 2,538,768 | 3,486,880 |
| Investments | | 19,249 | – | 19,249 | 528 | – | 528 |
| Other | | 5,576 | – | 5,576 | 13,323 | – | 13,323 |
| Total income | | 1,155,027 | 1,575,267 | 2,730,294 | 1,034,531 | 2,539,368 | 3,573,899 |
| Expenditure on: | | | | | | | |
| Charitable activities | 4 | | | | | | |
| Legal and other advisory services | | 1,174,670 | 1,856,439 | 3,031,109 | 888,044 | 2,580,965 | 3,469,009 |
| Total expenditure | | 1,174,670 | 1,856,439 | 3,031,109 | 888,044 | 2,580,965 | 3,469,009 |
| Net income for the year | 6 | (19,643) | (281,172) | (300,815) | 146,487 | (41,597) | 104,890 |
| Transfers between funds | | (12,084) | 12,084 | – | (24,303) | 24,303 | – |
| Net income / (expenditure) before other recognised gains | | (31,727) | (269,088) | (300,815) | 122,184 | (17,294) | 104,890 |
| Actuarial gains on defined benefit pension schemes | 22 | 512,000 | – | 512,000 | 375,000 | – | 375,000 |
| Net movement in funds | | 480,273 | (269,088) | 211,185 | 497,184 | (17,294) | 479,890 |
| Reconciliation of funds: | | | | | | | |
| Total funds brought forward | | 1,574,487 | 484,753 | 2,059,240 | 1,077,303 | 502,047 | 1,579,350 |
| Total funds carried forward | | 2,054,760 | 215,665 | 2,270,425 | 1,574,487 | 484,753 | 2,059,240 |

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 17a to the financial statements.

Balance sheet

Company no. 04149673

As at 31 March 2023

| | Note | £ | 2023 £ | £ | 2022 £ |
|--|------|-----------|------------------|-----------|------------------|
| Fixed assets: | | | | | |
| Tangible assets | 11 | | - | | - |
| Current assets: | | | | | |
| Work in progress | 12 | 999,709 | | 887,300 | |
| Debtors | 13 | 1,023,101 | | 1,316,596 | |
| Cash at bank and in hand | | 1,053,668 | | 1,167,093 | |
| | | | 3,076,478 | | 3,370,989 |
| Liabilities: | | | | | |
| Creditors: amounts falling due within one year | 14 | (806,053) | | (823,749) | |
| Net current assets | | | 2,270,425 | | 2,547,240 |
| Total assets less current liabilities | | | 2,270,425 | | 2,547,240 |
| Defined benefit pension scheme liability | 22 | | - | | (488,000) |
| Total net assets | | | 2,270,425 | | 2,059,240 |
| The funds of the charity: | 17a | | | | |
| Restricted income funds | | | 215,665 | | 484,753 |
| Unrestricted income funds: | | | | | |
| Designated funds | | 621,232 | | 995,783 | |
| General funds | | 1,433,528 | | 1,066,704 | |
| Pension reserve | | - | | (488,000) | |
| Total unrestricted funds | | | 2,054,760 | | 1,574,487 |
| Total charity funds | | | 2,270,425 | | 2,059,240 |

Approved by the trustees on 28 November 2023 and signed on their behalf by

Keith Wilding
Chair

Central England Law Centre Limited

Statement of cash flows

For the year ended 31 March 2023

| | Note | 2023 £ | £ | 2022 £ | £ |
|--|------|-----------|------------------|-----------|------------------|
| Cash flows from operating activities | 18 | | | | |
| Net cash provided by / (used in) operating activities | | | (132,674) | | (471,977) |
| Cash flows from investing activities: | | | | | |
| Interest received | | 19,249 | | 528 | |
| Purchase of fixed assets | | - | | - | |
| Net cash provided by / (used in) investing activities | | | 19,249 | | 528 |
| Change in cash and cash equivalents in the year | | | (113,425) | | (471,449) |
| Cash and cash equivalents at the beginning of the year | | | 1,167,093 | | 1,638,542 |
| Cash and cash equivalents at the end of the year | 19 | | 1,053,668 | | 1,167,093 |

1 Accounting policies

a) Statutory information

Central England Law Centre Limited is a charitable company limited by guarantee and is incorporated in England and Wales.

The registered office address and principal place of business is Oakwood House, St Patrick's Road Entrance, Coventry, CV1 2HL.

b) Basis of preparation

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) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Critical estimates and judgements

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

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in the relevant note to the accounts, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 March 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

In December 2019 Coventry City Council agreed to provide a pension guarantee to the Central England Law Centre and subsequently a guarantee document has been agreed between the Law Centre, the West Midlands Pension Fund and Coventry City Council.

f) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants 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.

Amounts receivable under contracts for legal services are scheduled on an accruals basis. Income reflects the fair value of services provided on each assignment, including expenses and disbursements.

Income received in excess of time recorded (inter partes costs) is recognised when the amounts have been agreed by third parties.

Unbilled income is shown as work in progress and is valued on an hourly rate as determined by the Legal Aid Agency. Unbilled disbursements expended are shown as debtors.

Other income is included when receivable.

g) Interest receivable

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

1 Accounting policies (continued)

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on charitable activities includes the costs of providing legal and other advisory services
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £2,500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- | | |
|-------------------------|---------|
| ● Computer equipment | 3 years |
| ● Office equipment | 5 years |
| ● Property improvements | 5 years |

m) Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

n) 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.

o) Client accounts

As part of working practices the charity holds third party funds in separate designated bank accounts. These funds are not assets of the charity and are not accounted for in these financial statements.

p) 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.

q) Financial instruments

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

1 Accounting policies (continued)**r) Pensions**

Retirement benefits to employees of the charity are provided by Scottish Widows (a defined contribution scheme) and the Local Government Pension Scheme (West Midlands Pension Fund). The Local Government Pension Scheme is a funded defined benefit scheme and the assets are held separately from those of the charity. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses. The Trustees note that the calculated notional deficit or surplus calculated under FRS 102 can vary greatly from year to year depending on the assumptions made at the valuation date.

2 Income from donations

| | Unrestricted £ | Restricted £ | 2023 Total £ | Unrestricted £ | Restricted £ | 2022 Total £ |
|---------------------------------|-------------------|-----------------|----------------------|-------------------|-----------------|--------------------|
| Gowlings Solicitor | - | - | - | 50,000 | - | 50,000 |
| Crispin Passmore Consulting Ltd | 16,910 | - | 16,910 | 20,105 | - | 20,105 |
| Small Donations | 4,034 | 600 | 4,634 | 2,463 | 600 | 3,063 |
| | <u>20,944</u> | <u>600</u> | <u>21,544</u> | <u>72,568</u> | <u>600</u> | <u>73,168</u> |

The charity benefits greatly from the involvement and enthusiastic support of its many volunteers. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

3 Income from charitable activities

| | Unrestricted £ | Restricted £ | 2023 Total £ | Unrestricted £ | Restricted £ | 2022 Total £ |
|--|-------------------|------------------|--------------------|-------------------|------------------|--------------------|
| Coventry City Council – grant | - | 439,726 | 439,726 | - | 439,726 | 439,726 |
| The Oak Foundation | - | 96,000 | 96,000 | - | 96,000 | 96,000 |
| Therium | - | - | - | - | 25,000 | 25,000 |
| The Legal Education Foundation | 112,000 | - | 112,000 | - | - | - |
| Esmee Fairbairn | 150,000 | - | 150,000 | - | - | - |
| Paul Hamlyn Foundation | 22,500 | - | 22,500 | - | - | - |
| Unbound Philanthropy | - | - | - | 100,000 | - | 100,000 |
| Legal Aid Agency | 450,382 | - | 450,382 | 473,870 | - | 473,870 |
| Other profit costs | 91,724 | - | 91,724 | 104,709 | - | 104,709 |
| Coventry University | 85,016 | - | 85,016 | 90,934 | - | 90,934 |
| University of Warwick | 76,292 | - | 76,292 | 65,132 | - | 65,132 |
| Birmingham City University | 121,344 | - | 121,344 | 113,467 | - | 113,467 |
| Coventry Building Society – Homelessness Pr | - | 15,000 | 15,000 | - | 15,000 | 15,000 |
| Coventry Building Society – Mental Health | - | 30,000 | 30,000 | - | 30,000 | 30,000 |
| Coventry Building Society – Intensive Suppor | - | 40,000 | 40,000 | - | 30,000 | 30,000 |
| Coventry Building Society – Ukraine Support | - | 10,000 | 10,000 | - | - | - |
| Coventry Building Society – Cost of Living Fu | - | 5,000 | 5,000 | - | - | - |
| Voluntary Action Coventry – Independent He | - | 60,000 | 60,000 | - | 60,093 | 60,093 |
| Anchor Centre | - | 9,016 | 9,016 | - | 9,016 | 9,016 |
| Comic Relief – Ianite Project | - | 40,767 | 40,767 | - | 68,000 | 68,000 |
| Kids in Need of Defense | - | 442,443 | 442,443 | - | 574,490 | 574,490 |
| Allen & Overy – Volunteers | - | 10,000 | 10,000 | - | 10,000 | 10,000 |
| Smallwood Trust – Improving Financial Secur | - | 53,082 | 53,082 | - | 52,041 | 52,041 |
| Smallwood Trust – DV Immigration NRPF | - | 24,560 | 24,560 | - | - | - |
| Coventry City Council – EUSS Complex Cases | - | 46,093 | 46,093 | - | 63,826 | 63,826 |
| Coventry City Council – Migrant Rights in the | - | 28,641 | 28,641 | - | - | - |
| Coventry City Council – MiFriendly Cities | - | - | - | - | 9,017 | 9,017 |
| Access Your Right To Care | - | 21,624 | 21,624 | - | 455,684 | 455,684 |
| Access to Justice Foundation – Support for Li | - | 54,084 | 54,084 | - | 114,663 | 114,663 |
| The Baring Foundation – Community Justice | - | 13,333 | 13,333 | - | 26,667 | 26,667 |
| The Baring Foundation – Help & Information | - | - | - | - | 30,000 | 30,000 |
| The Legal Education Foundation – Justice Fir | - | 31,815 | 31,815 | - | 42,242 | 42,242 |
| The Legal Education Foundation – the RIPPLE | - | - | - | - | 22,923 | 22,923 |
| Nuffield Foundation – Legal Needs Research | - | 9,578 | 9,578 | - | - | - |
| NHS Innovation Fund – Enhanced Legal Supp | - | 7,201 | 7,201 | - | - | - |
| Coventry & Warwickshire ICB – Health Justice | - | - | - | - | - | - |
| Birmingham City Council – Asylum, Migratio | - | 78,704 | 78,704 | - | 206,391 | 206,391 |
| Birmingham City Council – EUSS Project | - | - | - | - | 52,739 | 52,739 |
| Outreach sessions | - | 8,000 | 8,000 | - | - | - |
| Red Cross – Families Together | - | - | - | - | 16,250 | 16,250 |
| Law Centres Network – PLP Crisis Hubs | - | - | - | - | 15,000 | 15,000 |
| Ministry of Housing, Communities and Local | - | - | - | - | 14,000 | 14,000 |
| Community Justice Fund | - | - | - | - | 60,000 | 60,000 |
| Total income from charitable activities | 1,109,258 | 1,574,667 | 2,683,925 | 948,112 | 2,538,768 | 3,486,880 |

Notes to the financial statements

For the year ended 31 March 2023

4a Analysis of expenditure (current year)

| | Charitable activities £ | Governance costs £ | Support costs £ | 2023 Total £ | 2022 Total £ |
|-----------------------------------|-------------------------------|--------------------------|-----------------------|-------------------------|--------------------|
| Staff costs (Note 7) | 1,510,355 | - | 663,709 | 2,174,064 | 2,047,669 |
| Insurance | 18,611 | 375 | - | 18,986 | 19,623 |
| Publications | 2,644 | - | - | 2,644 | 558 |
| Subscriptions | 18,188 | - | - | 18,188 | 19,214 |
| Courses | 18,795 | - | - | 18,795 | 22,011 |
| Disbursements | 2,927 | - | - | 2,927 | 3,769 |
| Communications | 16,989 | - | - | 16,989 | 20,084 |
| Premises costs | - | - | 125,944 | 125,944 | 246,680 |
| Other costs | - | - | 153,916 | 153,916 | 173,900 |
| Depreciation and sundry equipment | - | - | 13,629 | 13,629 | 8,112 |
| Printing, postage and stationery | - | - | 13,550 | 13,550 | 12,241 |
| Travel | - | - | 3,030 | 3,030 | 1,422 |
| Bank charges | - | - | 285 | 285 | 406 |
| Grant funded activities | 454,060 | - | - | 454,060 | 863,820 |
| Client payments | (461) | - | - | (461) | 17,500 |
| Audit | - | 14,563 | - | 14,563 | 12,000 |
| | <u>2,042,108</u> | <u>14,938</u> | <u>974,063</u> | <u>3,031,109</u> | <u>3,469,009</u> |
| Support costs | 974,063 | - | (974,063) | - | - |
| Governance costs | 14,938 | (14,938) | - | - | - |
| Total expenditure 2023 | <u>3,031,109</u> | <u>-</u> | <u>-</u> | <u>3,031,109</u> | |
| Total expenditure 2022 | <u>3,469,009</u> | <u>-</u> | <u>-</u> | | <u>3,469,009</u> |

Grant funded activities is expenditure specific to projects. This includes £346,413 (2022: £833,218) we have received from funders to pay to partner organisations for work done on projects.

Notes to the financial statements

For the year ended 31 March 2023

4b Analysis of expenditure (prior year)

| | Charitable activities £ | Governance costs £ | Support costs £ | 2022 Total £ |
|-----------------------------------|-------------------------------|--------------------------|-----------------------|-------------------------|
| Staff costs (Note 7) | 1,369,358 | - | 678,311 | 2,047,669 |
| Insurance | 19,342 | 281 | - | 19,623 |
| Publications | 558 | - | - | 558 |
| Subscriptions | 19,214 | - | - | 19,214 |
| Courses | 22,011 | - | - | 22,011 |
| Disbursements | 3,769 | - | - | 3,769 |
| Communications | 20,084 | - | - | 20,084 |
| Premises costs | - | - | 246,680 | 246,680 |
| Other costs | - | 131 | 173,769 | 173,900 |
| Depreciation and sundry equipment | - | - | 8,112 | 8,112 |
| Printing, postage and stationery | - | - | 12,241 | 12,241 |
| Travel | - | - | 1,422 | 1,422 |
| Bank charges | - | - | 406 | 406 |
| Grant funded activities | 863,820 | - | - | 863,820 |
| Client payments | 17,500 | - | - | 17,500 |
| Audit | - | 12,000 | - | 12,000 |
| | <u>2,335,656</u> | <u>12,412</u> | <u>1,120,941</u> | <u>3,469,009</u> |
| Support costs | 1,120,941 | - | (1,120,941) | - |
| Governance costs | 12,412 | (12,412) | - | - |
| Total expenditure 2022 | <u>3,469,009</u> | <u>-</u> | <u>-</u> | <u>3,469,009</u> |

Grant funded activities is expenditure specific to projects. This includes £833,218 we have received from funders to pay to partner organisations for work done on projects.

Notes to the financial statements

For the year ended 31 March 2023

5a Grant making (current year)

| | Grants £ | 2023 £ |
|---------------------------------|----------------|----------------|
| Project | | |
| Ignite Project | 3,054 | 3,054 |
| Kids In Need of Defense | 316,690 | 316,690 |
| Support for Litigants in Person | 26,669 | 26,669 |
| At the end of the year | <u>346,413</u> | <u>346,413</u> |

The Law Centre has worked with partners during the year to deliver the projects shown above.

| | 2023 £ |
|--|----------------|
| Payments were made to organisations for activities as below: | |
| Grapevine Coventry & Warwickshire Ltd | 3,054 |
| Islington Law Centre | 158,936 |
| Coram Children's Legal Centre | 102,370 |
| JustRight Scotland | 22,653 |
| Greater Manchester Immigration Aid Unit | 32,731 |
| Derbyshire Law Centre | 26,669 |
| At the end of the year | <u>346,413</u> |

5b Grant making (prior year)

| | Grants £ | 2022 £ |
|---------------------------------|----------------|----------------|
| Project | | |
| Ignite Project | 7,298 | 7,298 |
| Kids In Need of Defense | 331,458 | 331,458 |
| Access Your Right to Care | 436,305 | 436,305 |
| Support for Litigants in Person | 48,903 | 48,903 |
| Families Together | 9,254 | 9,254 |
| At the end of the year | <u>833,218</u> | <u>833,218</u> |

The Law Centre has worked with partners during the year to deliver the projects shown above.

| | 2022 £ |
|--|----------------|
| Payments were made to organisations for activities as below: | |
| Grapevine Coventry & Warwickshire Ltd | 7,298 |
| Islington Law Centre | 150,339 |
| Coram Children's Legal Centre | 98,804 |
| JustRight Scotland | 23,297 |
| Greater Manchester Immigration Aid Unit | 59,018 |
| Access Your Right to Care | 436,305 |
| Derbyshire Law Centre | 48,903 |
| Red Cross | 9,254 |
| At the end of the year | <u>833,218</u> |

6 Net income for the year

This is stated after charging:

| | 2023 £ | 2022 £ |
|---|---------------|---------------|
| Depreciation | - | 907 |
| Professional Indemnity Insurance | 6,496 | 7,370 |
| Operating lease rentals: | | |
| Property | 61,187 | 59,747 |
| Other | 4,556 | 4,735 |
| Auditor's remuneration (excluding VAT): | | |
| Audit | <u>14,550</u> | <u>12,000</u> |

Notes to the financial statements

For the year ended 31 March 2023

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

| | 2023 £ | 2022 £ |
|---|------------------|------------------|
| Salaries and wages | 1,893,302 | 1,775,677 |
| Redundancy and termination costs | 2,004 | - |
| Social security costs | 185,247 | 162,208 |
| Employer's contribution to defined contribution pension schemes | 56,175 | 47,187 |
| Operating costs of defined benefit pension schemes | 28,996 | 58,725 |
| Recruitment costs | 8,340 | 3,872 |
| | 2,174,064 | 2,047,669 |

The redundancy and termination costs were settled and £2,004 was paid in May 2022.

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

| | 2023 No. | 2022 No. |
|-------------------|-------------|-------------|
| £60,000 – £69,999 | 1 | 1 |

Key management personnel include the Trustees, the Chief Executive Officer, the Deputy Chief Executive Officer, the Director of Finance & IT and the Director of Legal Casework & Compliance. The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £193,221 (2022: £195,380).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2022: £nil). No charity trustee received payment for professional or other services supplied to the charity (2022: £nil).

No trustee received any remuneration in either year. No trustee expenses were paid for by the charity in the year (2022: £Nil for 0 trustee).

8 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 69 (2022: 68).

Staff are split across the activities of the charitable company as follows :

| | 2023 No. | 2022 No. |
|--------------------------|-------------|-------------|
| Support staff | 21 | 24 |
| Legal and advisory staff | 48 | 44 |
| | 69 | 68 |

9 Related party transactions

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

Aggregate donations from related parties were £nil (2022: £nil).

Councillor Anthony Tucker and Councillor Abdul Jobbar are members of Coventry City Council.

As neither Cllr Tucker or Cllr Jobbar have significant control over decisions regarding funding for the Law Centre made by Coventry City Council, the Trustees have not included any details of funding under related parties.

10 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

11 Tangible fixed assets

| | Property improvements £ | Computer equipment £ | Office equipment £ | Total £ |
|-------------------------------|----------------------------|-------------------------|-----------------------|----------------|
| Cost | | | | |
| At the start of the year | 66,902 | 69,568 | 23,724 | 160,194 |
| At the end of the year | 66,902 | 69,568 | 23,724 | 160,194 |
| Depreciation | | | | |
| At the start of the year | 66,902 | 69,568 | 23,724 | 160,194 |
| Charge for the year | - | - | - | - |
| At the end of the year | 66,902 | 69,568 | 23,724 | 160,194 |
| Net book value | | | | |
| At the end of the year | - | - | - | - |
| At the start of the year | - | - | - | - |

All of the above assets are used for charitable purposes.

12 Work in progress

| | 2023 £ | 2022 £ |
|---|----------------|-----------|
| Legal work performed but unbilled at year end | 999,709 | 887,300 |
| | 999,709 | 887,300 |

13 Debtors

| | 2023 £ | 2022 £ |
|---------------------------------------|------------------|-----------|
| Other debtors including disbursements | 739,876 | 800,019 |
| VAT | 5,497 | - |
| Prepayments and accrued income | 277,728 | 516,577 |
| | 1,023,101 | 1,316,596 |

Notes to the financial statements

For the year ended 31 March 2023

14 Creditors: amounts falling due within one year

| | 2023 £ | 2022 £ |
|---------------------------------------|----------------|----------------|
| Trade creditors | 356,604 | 404,887 |
| Taxation and social security | 39,454 | 41,216 |
| VAT | - | 201 |
| Other creditors | 88,825 | 15,000 |
| Pension creditor | 12,624 | 11,712 |
| Accruals | 51,610 | 91,325 |
| Provision for liabilities and charges | 163,000 | 148,000 |
| Deferred income | 93,936 | 111,408 |
| | 806,053 | 823,749 |

15 Deferred income

Deferred income represents grants received relating to future periods or where the performance related conditions have not yet been met by the charity.

| | 2023 £ | 2022 £ |
|--------------------------------------|---------------|----------------|
| Balance at the beginning of the year | 111,408 | 729,909 |
| Receipts in advance | 1,557,795 | 1,989,325 |
| Released to income in the year | (1,575,267) | (2,607,826) |
| Balance at the end of the year | 93,936 | 111,408 |

16a Analysis of net assets between funds (current year)

| | General unrestricted £ | Designated £ | Restricted £ | Total funds £ |
|------------------------------------|------------------------------|-----------------|-----------------|------------------|
| Tangible fixed assets | - | - | - | - |
| Current assets | 2,145,645 | 621,232 | 309,601 | 3,076,478 |
| Current liabilities | (712,117) | - | (93,936) | (806,053) |
| Defined benefit pension liability | - | - | - | - |
| Net assets at 31 March 2023 | 1,433,528 | 621,232 | 215,665 | 2,270,425 |

16b Analysis of net assets between funds (prior year)

| | General unrestricted £ | Designated £ | Restricted £ | Total funds £ |
|------------------------------------|------------------------------|-----------------|-----------------|------------------|
| Tangible fixed assets | - | - | - | - |
| Current assets | 1,779,045 | 995,783 | 596,161 | 3,370,989 |
| Current liabilities | (712,341) | - | (111,408) | (823,749) |
| Defined benefit pension liability | (488,000) | - | - | (488,000) |
| Net assets at 31 March 2022 | 578,704 | 995,783 | 484,753 | 2,059,240 |

17a Movements in funds (current year)

| | At 1 April 2022 £ | Income & gains £ | Expenditure & losses £ | Transfers £ | At 31 March 2023 £ |
|--|-------------------------|------------------------|------------------------------|-----------------|--------------------------|
| Restricted funds: | | | | | |
| Coventry City Council – grant | - | 439,726 | (439,726) | - | - |
| The Oak Foundation | - | 96,000 | (96,000) | - | - |
| Subscription fund | - | 600 | (600) | - | - |
| Coventry Building Society – Homelessness Prevention Project | - | 15,000 | (15,000) | - | - |
| Coventry Building Society – Mental Health | - | 30,000 | (30,000) | - | - |
| Coventry Building Society – Intensive Support | - | 40,000 | (40,000) | - | - |
| Coventry Building Society – Ukraine Support | - | 10,000 | (10,000) | - | - |
| Coventry Building Society – Cost of Living Fund | - | 5,000 | (6,009) | 1,009 | - |
| Voluntary Action Coventry – Independent Health Complaints Advocacy | 5,009 | 60,000 | (56,350) | - | 8,659 |
| Anchor Centre | - | 9,016 | (9,016) | - | - |
| Comic Relief – Ignite Project | - | 40,767 | (40,767) | - | - |
| Kids in Need of Defense | 479,744 | 442,443 | (714,203) | - | 207,984 |
| Allen & Overy – Volunteers | - | 10,000 | (10,000) | - | - |
| Smallwood Trust – Improving Financial Security of Women | - | 53,082 | (53,082) | - | - |
| Smallwood Trust – DV Immigration NRPF | - | 24,560 | (24,560) | - | - |
| Coventry City Council – EUSS Complex Cases Project | - | 46,093 | (46,093) | - | - |
| Coventry City Council – Migrant Rights in the Community | - | 28,641 | (28,641) | - | - |
| Access Your Right To Care | - | 21,624 | (21,624) | - | - |
| Access to Justice Foundation – Support for Litigants in Person | - | 54,084 | (54,084) | - | - |
| The Baring Foundation – Community Justice | - | 13,333 | (13,333) | - | - |
| The Legal Education Foundation – Justice First Fellowships | - | 31,815 | (31,815) | - | - |
| Nuffield Foundation – Legal Needs Research | - | 9,578 | (9,578) | - | - |
| NHS Innovation Fund – Enhanced Legal Support Project | - | 7,201 | (7,201) | - | - |
| Coventry & Warwickshire ICB – Health Justice Partnership | - | - | (978) | - | (978) |
| Birmingham City Council – Asylum, Migration & Integration Fund | - | 78,704 | (89,779) | 11,075 | - |
| Outreach sessions | - | 8,000 | (8,000) | - | - |
| Total restricted funds | 484,753 | 1,575,267 | (1,856,439) | 12,084 | 215,665 |
| Designated funds: | | | | | |
| Transformation fund | 159,607 | - | (82,155) | - | 77,452 |
| Legal Support fund | 169,176 | - | (157,464) | (11,712) | - |
| Kind Unbound Philanthropy Fund | 100,000 | - | - | - | 100,000 |
| Crispin Passmore donation | - | 16,910 | (4,256) | 16,126 | 28,780 |
| Dilapidations fund | 52,000 | - | - | (52,000) | - |
| Property Security Fund | 415,000 | - | - | - | 415,000 |
| Cost of Living fund | 100,000 | - | (99,174) | (826) | - |
| Total designated funds | 995,783 | 16,910 | (343,049) | (48,412) | 621,232 |
| General funds | 1,066,704 | 855,465 | (524,969) | 36,328 | 1,433,528 |
| Coventry University | - | 85,016 | (85,016) | - | - |
| University of Warwick | - | 76,292 | (76,292) | - | - |
| Birmingham City University | - | 121,344 | (121,344) | - | - |
| Total unrestricted funds | 1,066,704 | 1,138,117 | (807,621) | 36,328 | 1,433,528 |
| Pension reserve | (488,000) | 488,000 | - | - | - |
| Total funds including pension fund | 2,059,240 | 3,218,294 | (3,007,109) | - | 2,270,425 |

17a Movements in funds (continued)

The narrative to explain the purpose of each fund is given at the foot of the note below.

The grant received from Coventry City Council for the Mifriedly Cities project has been agreed on the basis that the Law Centre makes a contribution towards the costs of the project. This contribution was £nil for the year (2022: £901).

The grant received from Birmingham City Council for the Asylum, migration and integration fund project has been agreed on the basis that the Law Centre makes a contribution towards the costs of the project. This contribution was £11,075 for the year (2022: £22,932).

In 2019/20 £220,000 was allocated to a designated reserve for a transformation programme as agreed by the Trustees. In 2021/22 the Trustees agreed to allocate a further £50,000 to increase capacity. The funds are expected to be spent over the period April 2020 – March 2024. The purpose of the expenditure is to strengthen the internal systems and processes of the Law Centre and to create management capacity to develop and implement our future strategy. The costs include a Process and Change Manager, an interim management promotion and assistant support to the management team.

In 2020/21 £100,000 has been designated by the Trustees to the Kind Unbound Philanthropy Fund. Previous grants from this funder have been restricted to the furtherance of the objectives of the KIND project. Although this grant is unrestricted, the Trustees have determined that it will be solely applied to KIND. The designated funds were applied to KIND in the year to March 2023.

In 2020/21 £150,000 was designated by the Trustees to continue our work on ensuring Rights in the Community. The purpose of the fund was largely to support the salary costs of the delivery team. In 2021/22 the Trustees agreed to increase capacity by designating a further £50,000 and extending the longevity of the project. In 2022/23 the Trustees determined that such work should fall within the scope of the main objectives of the charity and therefore the designation was removed.

In 2020/21 the trustees designated £600,000 against a possible pension liability crystallisation risk. Historically CELC employees had access to the Local Government Pension Scheme via the West Midlands Pension Fund. Scheme entry was closed to new members in 2007 and consequently, there is now only one active member of the scheme. In the event that the last CELC active member leaves CELC employment, a pension fund crystallisation event would occur, whereby actuaries would value scheme assets in relation to future predicted liabilities and a scheme deficit might arise. Such a deficit would be the responsibility of the employer. A guarantee document has been agreed between Coventry City Council (CCC), West Midlands Pension Fund and CELC providing protection in the event of a crystallisation event. An accompanying agreement between CCC and CELC states that in the event of crystallisation, the order of preference is for CELC to a) settle the amount in full b) in part or c) CCC will settle the amount in full if CELC is unable. The Trustees therefore agreed to designate an amount in recognition of this agreement. After a further detailed review and after taking external legal advice, the Trustees were of the opinion that the likelihood of an immediately payable sum crystallising were remote and therefore reversed the previous designation in 2021/22.

The Coventry premises are occupied under a sub lease with the primary lessee of the property. It came to the attention of the Trustees in the year to March 2022 that the primary lessee was uncertain as to whether they would renew the existing lease with the landlord. The lease agreement provides for the property to be returned to its original condition as at the time the agreement was entered into. A schedule of dilapidations was commissioned by the primary lessee. CELC's share of the dilapidations schedule was an estimated cost of £200,000 (May 2021). Therefore the Trustees decided to allocate an equivalent sum to a designated fund to provide for such an eventuality over and above any amount already written off through the SOFA as a recognised provision against such costs. A further review of dilapidation costs in view of new developments with the lease arrangements led to the de designation of the dilapidations fund in the current year. Should the lease be terminated, CELC will need to move to new premises, either leasehold or freehold. The Trustees have allocated £415,000 to the Property Security Fund to cover the costs of a deposit payment on a suitable premises should a freehold property be acquired, legal fees and relocation costs.

Crispin Passmore a former CEO of CELC makes an annual donation to support the work of CELC. The Trustees have determined that these funds should be set aside for the development of trainee legal staff within CELC and as such a designated fund has been created.

The Trustees are aware of the difficulties being faced by employees in the current "Economic crisis." A sum was allocated to a Cost Of Living fund to provide for a one-off payment to staff in the year 2022/23.

17b Movements in funds (prior year)

| | At 1 April 2021 £ | Income & gains £ | Expenditure & losses £ | Transfers £ | At 31 March 2022 £ |
|---|-------------------------|------------------------|------------------------------|------------------|--------------------------|
| Restricted funds: | | | | | |
| Coventry City Council – grant | - | 439,726 | (439,726) | - | - |
| The Oak Foundation | - | 96,000 | (96,000) | - | - |
| Therium | - | 25,000 | (25,000) | - | - |
| Subscription fund | - | 600 | (600) | - | - |
| Coventry Building Society – Homelessness Prevention Project | - | 15,000 | (15,000) | - | - |
| Coventry Building Society – Mental Health | - | 30,000 | (30,000) | - | - |
| Coventry Building Society – Intensive Support | - | 30,000 | (30,000) | - | - |
| Voluntary Action Coventry – Independent Health Complaints Advocacy | 1,666 | 60,093 | (56,750) | - | 5,009 |
| Anchor Centre | - | 9,016 | (9,016) | - | - |
| Comic Relief – Ignite Project | - | 68,000 | (68,000) | - | - |
| Kids in Need of Defense | 500,606 | 574,490 | (595,352) | - | 479,744 |
| Allen & Overy – Volunteers | - | 10,000 | (10,000) | - | - |
| Smallwood Trust – Improving Financial Security of Women | - | 52,041 | (52,041) | - | - |
| Coventry City Council – EUSS Compex Cases Project | - | 63,826 | (63,826) | - | - |
| Coventry City Council – MiFriendly Cities | - | 9,017 | (9,918) | 901 | - |
| The Oak Foundation – Access Your Right to Care | - | 455,684 | (455,684) | - | - |
| Access to Justice Foundation – Support for Litigants in Person | - | 114,663 | (114,663) | - | - |
| The Baring Foundation – Community Justice | (225) | 26,667 | (26,442) | - | - |
| The Baring Foundation – Help & Information Pack | - | 30,000 | (30,470) | 470 | - |
| The Legal Education Foundation – Justice First Fellowships | - | 42,242 | (42,242) | - | - |
| The Legal Education Foundation – the RIPPLE Project | - | 22,923 | (22,923) | - | - |
| Birmingham City Council – Asylum, Migration & Integration Fund | - | 206,391 | (229,323) | 22,932 | - |
| Birmingham City Council – EUSS Project | - | 52,739 | (52,739) | - | - |
| Red Cross – Families Together | - | 16,250 | (16,250) | - | - |
| Law Centres Network – PLP Crisis Hubs | - | 15,000 | (15,000) | - | - |
| Ministry of Housing, Communities and Local Government RJHNC and Revenue | - | 14,000 | (14,000) | - | - |
| Community Justice Fund | - | 60,000 | (60,000) | - | - |
| Total restricted funds | 502,047 | 2,539,368 | (2,580,965) | 24,303 | 484,753 |
| Designated funds: | | | | | |
| Transformation fund | 197,978 | - | (88,371) | 50,000 | 159,607 |
| Legal Support fund | 150,000 | - | (30,824) | 50,000 | 169,176 |
| Pension fund | 600,000 | - | - | (600,000) | - |
| Kind Unbound Philanthropy Fund | - | - | - | 100,000 | 100,000 |
| Dilapidations fund | - | - | - | 52,000 | 52,000 |
| Property Security Fund | - | - | - | 415,000 | 415,000 |
| Cost of Living fund | - | - | - | 100,000 | 100,000 |
| Total designated funds | 947,978 | - | (119,195) | 167,000 | 995,783 |
| General funds | 946,325 | 764,998 | (453,316) | (191,303) | 1,066,704 |
| Coventry University | - | 90,934 | (90,934) | - | - |
| University of Warwick | - | 65,132 | (65,132) | - | - |
| Birmingham City University | - | 113,467 | (113,467) | - | - |
| Total unrestricted funds | 946,325 | 1,034,531 | (722,849) | (191,303) | 1,066,704 |
| Pension reserve | (817,000) | 329,000 | - | - | (488,000) |
| Total funds including pension fund | 1,579,350 | 3,902,899 | (3,423,009) | - | 2,059,240 |

The narrative to explain the purpose of each fund is given at the foot of the note below.

17b Movements in funds (continued)

Purposes of restricted funds

Coventry City Council – grant
The Oak Foundation

To support legal casework for people in Coventry.
Support for core costs of Birmingham service with a focus on expanding law centre capacity to reduce the number of people who are homeless/at risk of homelessness by providing expert legal advice/representation in welfare benefits, debt, housing, community care, immigration and public law.

Therium

Support for core costs including hiring a part-time administrator, enabling the Law Centre to pursue overall strategic objectives.

Subscription fund

A regular donation to pay for a subscription is made by an ex-employee.

Coventry Building Society – Homelessness Prevention Project

Funding for housing advice to prevent Homelessness.

Coventry Building Society – Mental Health

Providing intensive support to people facing housing issues and disclosing a mental health condition.

Coventry Building Society – Intensive Support

Providing intensive support to people facing housing issues.

Coventry Building Society – Ukraine Support

Providing support to refugees fleeing the war in Ukraine.

Coventry Building Society – Cost of Living Fund

Support to help those impacted by the Cost of Living crisis.

Voluntary Action Coventry – Independent Health Complaints Advocacy

To provide independent advocacy to people with health complaints throughout Coventry.

Anchor Centre

Advice and casework for people that are homeless or insecurely housed.

Comic Relief – Ignite Project

A change programme in partnership with Grapevine to promote early action in two public services in Coventry.

Kids in Need of Defense

Working with a consortium to establish a pro bono service for children to receive immigration advice.

Allen & Overy – Volunteers

A contribution to supporting student pro bono clinics.

Smallwood Trust – Improving Financial Security of Women

A partnership with Women's Organisations in Coventry to provide more co-ordinated services for vulnerable women.

Smallwood Trust – DV Immigration NRPf

To improve the outcomes for migrants who are in abusive relationships where their Immigration status is reliant upon their partner:

Direct provision of legal advice, indirect support by improving the understanding of other community organisations working with this client group.

Coventry City Council – EUSS Complex Cases Project

Support with Complex Case EUSS applications. Marketing of service. Training to frontline workers (particularly those working directly with vulnerable and at-risk nationals), organisations and groups across Coventry to raise awareness of EUSS.

Coventry City Council – Migrant Rights in the Community

To provide outreach services and advice to community organisations and immigrants to raise awareness legal rights and access to related services.

Coventry City Council – MiFriendly Cities

To provide legal healthchecks to migrant communities with a focus on undocumented minors.

Access Your Right To Care

To transform access to justice for people with a learning difficulty.

Access to Justice Foundation – Support for Litigants in Person

Delivery of advice and support to Litigants in Person with employment rights issues, and research seeking to understand the role of early advice in reducing the number of cases being heard in Tribunals.

The Baring Foundation – Community Justice

Rights in Peril Project – research project focused on removal of legal rights by introduction of easements in the Coronavirus Act 2020.

The Baring Foundation – Help & Information Pack

Funding staff costs associated with running a helpline and issuing a rights information pack and other materials for partner organisations.

The Legal Education Foundation – Justice First Fellowships

Funding to support training contracts for social welfare lawyers.

The Legal Education Foundation – the RIPPLE Project

A Public Legal Education Programme in the field of community care by working with groups of clients who have similar issues/needs.

Nuffield Foundation – Legal Needs Research

Research into the impact of the pandemic on the rights of those with longstanding legal needs and disabilities.

NHS Innovation Fund – Enhanced Legal Support Project

Specialist legal advice and representation extending to issues beyond the legal matter. Mental health issues often require further support to improve health, finances and living conditions. These are interconnected and impact upon each other. Advisors with specialist skills in mental health support deliver effective advice on housing, financial and health issues.

Coventry & Warwickshire ICB – Health Justice Partnership

Provision of proactive and early social welfare advice to NHS primary care patients in the Coventry and Warwickshire Area in collaboration with Coventry Citizens Advice Bureau and Coventry Information Advice Service.

Birmingham City Council – Asylum, Migration & Integration Fund

Foundations of Integration project. To improve provisions to support Third Country Nationals (TCNs) in accessing information, advice and guidance to further their integration and contributing to the development of an online portal.

Birmingham City Council – EUSS Project

Deliver practical support to vulnerable or at-risk EU, EEA and Swiss citizens and their family members to help them make their EU Settlement Scheme application.

17b Movements in funds (continued)

| | |
|--|--|
| <p>Outreach sessions Red Cross – Families Together Law Centres Network – PLP Crisis Hubs</p> | <p>To support refugees (and their families) applying for family reunion. Establishing a partnership between LCN and CELC to increase the availability and accessibility of legal information, specialist social welfare, immigration and public law advice to Birmingham Crisis Skylight centres frontline workers.</p> |
| <p>Ministry of Housing, Communities and Local Government RJHNC and Revenue Project</p> | <p>To provide support to clients who are not Third Country Nationals and have no recourse to public funds with complex immigration cases and other services.</p> |
| <p>Community Justice Fund</p> | <p>Flexible grant provided through the National Lottery to help the Law Centre adjust to providing a post-pandemic service. To support service provision after a loss of legal aid income, adapt premises so suitable for post pandemic work, develop remote working and to adapt to post pandemic changes in demand for work.</p> |

Purposes of contracts

| | |
|---|--|
| <p>Coventry University University of Warwick Birmingham City University</p> | <p>For supervision of students to run advice clinics alongside staff For supervision of students to run advice clinics alongside staff For supervision of students to run advice clinics alongside staff</p> |
|---|--|

18 Reconciliation of net income / (expenditure) to net cash flow from operating activities

| | 2023 £ | 2022 £ |
|---|------------------|-----------|
| Net income for the reporting period (as per the statement of financial activities) | 211,185 | 479,890 |
| Depreciation charges | – | 907 |
| Interest receivable | (19,249) | (528) |
| Increase in work in progress | (112,409) | 96 |
| Decrease/(increase) in debtors | 293,495 | (63,582) |
| (Decrease)/increase in creditors | (17,696) | (559,760) |
| Increase/(Decrease) in pension scheme liability | (488,000) | (329,000) |
| Net cash provided by / (used in) operating activities | (132,674) | (471,977) |

19 Analysis of cash and cash equivalents

| | At 1 April 2022 £ | Cash flows £ | At 31 March 2023 £ |
|--|-------------------------|------------------|--------------------------|
| Cash at bank and in hand | 1,167,093 | (113,425) | 1,053,668 |
| Total cash and cash equivalents | 1,167,093 | (113,425) | 1,053,668 |

20 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

| | Property | | Equipment | |
|--------------------|-----------|-----------|---------------|-----------|
| | 2023 £ | 2022 £ | 2023 £ | 2022 £ |
| Less than one year | – | – | 3,956 | 4,588 |
| One to five years | – | – | 14,689 | 9,361 |
| Over five years | – | – | 789 | 294 |
| | – | – | 19,434 | 14,243 |

21 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

22 Pension commitments

Historically employees had access to the Local Government Pension Scheme (LGPS) via the West Midlands Pension Fund. Scheme entry was closed in 2007 for new members and there is now only one active member of the scheme.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation related to the period ended 31 March 2023.

Contributions amounting to £497 (2022: £1,662) were payable to the scheme at 31 March 2023 and are included within creditors.

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 March 2023 was £6,240, of which employer's contributions totalled £4,346 and employees' contributions totalled £1,894. The agreed contribution rates for future years are 15% for employers and depending on salary 6.5%–8.5% for employees.

The value of the scheme is currently capped at £Nil in the financial statements. Whilst there is an excess in value of assets over liabilities attaching to the fund, this balance was not accessible to the Law Centre at the year-end.

| Principal Actuarial Assumptions | 2023 | 2022 |
|--------------------------------------|-------|-------|
| Discount rate for scheme liabilities | 4.75% | 2.70% |
| Rate of increase in salaries | 4.00% | 4.20% |
| Rate of increase of pensions | 3.00% | 3.20% |

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

| | | |
|-----------------------------|------|------|
| <i>Retiring today</i> | | |
| Males | 20.9 | 21.2 |
| Females | 24.7 | 23.6 |
| <i>Retiring in 20 years</i> | | |
| Males | 22.1 | 22.9 |
| Females | 25.7 | 25.4 |

The charitable company's share of the assets and liabilities in the scheme and the expected rates of return were:

| | 2023 Expected rate of return | Value 2023 £'000 | 2022 Expected rate of return | Value 2022 £'000 |
|--|------------------------------------|------------------------|------------------------------------|------------------------|
| Equities | | 1,994 | | 1,981 |
| Government Bonds | | 645 | | 650 |
| Other Bonds | | – | | – |
| Property | | 205 | | 207 |
| Cash/liquidity | | 88 | | 118 |
| Other | | – | | – |
| Total market value of assets | 1.35% | 2,932 | 8.20% | 2,956 |
| Present value of scheme liabilities – Funded | | (2,543) | | (3,444) |
| Surplus/(Deficit) in the scheme | | 389 | | (488) |

To develop the expected long-term rate of return on assets assumption, the employer considered the current level of expected returns on risk free investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for future returns of each asset class. The expected return for each asset class was then weighted based on the asset allocation to develop the expected long-term rate of return on assets assumption for the portfolio. This resulted in the selection of the above assumptions.

The total return on the fund assets for the year to 31 March 2023 is £40,000 [2022: £228,000].

22 Pension commitments (continued)

| | 2023 £'000 | 2022 £'000 |
|---|---------------|---------------|
| Amounts recognised in the statement of financial activities: | | |
| Service cost | 16 | 42 |
| Net interest on the defined liability (asset) | 13 | 17 |
| Administration expenses | - | - |
| Total operating charge | <u>29</u> | <u>59</u> |

The actuarial gains and losses for the current year are recognised in the statement of financial activities.

| | 2023 £'000 | 2022 £'000 |
|--|---------------|---------------|
| Change in benefit obligations | | |
| Benefit obligation brought forward | 3,444 | 3,600 |
| Service cost | 16 | 42 |
| Interest cost | 92 | 72 |
| Change in financial assumptions | (1,136) | (192) |
| Change in demographic assumptions | 50 | (19) |
| Experience (gain) on defined benefit obligations | 146 | 8 |
| Contributions by scheme participants | 2 | 7 |
| Past service costs, including curtailments | - | - |
| Estimated benefits paid net of transfers in | (71) | (74) |
| Benefit obligation carried forward | <u>2,543</u> | <u>3,444</u> |

| | 2023 £'000 | 2022 £'000 |
|--|---------------|---------------|
| Change in plan assets | | |
| Fair value of plan assets brought forward | 2,956 | 2,783 |
| Interest on assets | 79 | 55 |
| Return on assets less interest | (95) | 172 |
| Other actuarial gain | 56 | - |
| Administration expenses | - | - |
| Contributions by employer including unfunded | 5 | 13 |
| Contributions by Fund participants | 2 | 7 |
| Estimated benefits paid net of transfers in | (71) | (74) |
| Fair value of plan assets carried forward | <u>2,932</u> | <u>2,956</u> |

The employer expects to contribute £4,500 in the year to 31 March 2024.

Five year history of experience adjustments

| | 2023 £'000 | 2022 £'000 | 2021 £'000 | 2020 £'000 | 2019 £'000 |
|--|---------------|---------------|---------------|---------------|---------------|
| Benefit obligation at year end | 2,543 | 3,444 | 3,600 | 2,842 | 2,878 |
| Fair value of plan assets at end of year | 2,932 | 2,956 | 2,783 | 2,346 | 2,369 |
| Deficit | <u>389</u> | <u>(488)</u> | <u>(817)</u> | <u>(496)</u> | <u>(509)</u> |

23 Post Balance Sheet Event

Following the accounting valuation (FRS102 basis) received for the Local Government Pension Scheme (LGPS) via the West Midlands Pension Fund, the Trustees, having taken appropriate professional advice, committed to exit the scheme. The sole remaining active employee has also agreed to leave. The cessation valuation will be made on a different basis to the FRS 102 valuation, and given the volatility involved, the Trustees cannot make a reliable estimate of the valuation on cessation but expect it to be in surplus.