

**EQUALITY AND EMPLOYMENT LAW CENTRE LTD.**

**EQUALITY AND  
EMPLOYMENT LAW  
CENTRE LTD.**

**ANNUAL REPORT & FINANCIAL  
STATEMENTS FOR THE PERIOD  
1<sup>st</sup> APRIL 2022 TO 30<sup>th</sup> MARCH 2023**

**Company Number: 04946069**

**Charity Number: 1101876**

# **EQUALITY AND EMPLOYMENT LAW CENTRE LTD.**

## **CHARITY NAME**

Equality and Employment Law Centre Ltd.

## **COMPANY NUMBER**

04946069

## **CHARITY NUMBER**

1101876

## **TRUSTEES/DIRECTORS**

J Keegan

J Mannouch

S Ali

J Finnegan (resigned 1<sup>st</sup> April 2023)

L Thomas (resigned 1<sup>st</sup> April 2023)

S Branch (appointed 31<sup>st</sup> August 2023)

## **CHIEF EXECUTIVE OFFICER**

J Ehlen

## **REGISTERED OFFICE**

151 Dale Street,  
Liverpool, England,  
L2 2AH

## **BANKERS**

Co-Operative Bank PLC

PO Box 250

Skelmersdale

WN8 6WT

## **INDEPENDENT EXAMINER**

Matthew Brown, CPFA

Adding Value Consultancy Ltd

Studio 6, Bluecoat Chambers

School Lane

Liverpool

L1 3BX

# EQUALITY AND EMPLOYMENT LAW CENTRE LTD.

## CONTENTS

	<b>Page</b>
Chair report	4
Trustees' Annual Report	5-10
Statement of Trustees' Responsibilities	11
Independent Examiner's Report	12
Statement of Financial Activities	13
Balance Sheet	14
Statement of Cash Flows	15
Notes to the Financial Statements	16-24

# **EQUALITY AND EMPLOYMENT LAW CENTRE LTD.**

## **CHAIR'S REPORT**

I am pleased to present the annual report of our organisation for the year 2022/23. It has been a challenging but successful year for us, as we have continued to develop and grow our service and team in the face of unprecedented difficulties. We have come through the challenges of covid stronger and more resilient, improved our financial position and have ambitious plans for the future.

Our law centre is a not-for-profit organisation that specialises in providing legal advice and representation to people who face discrimination and inequality. Our staff specialise in the complex areas of discrimination and employment law. The organisation has two contracts for discrimination remote telephone advice and discrimination face-to-face legal advice. We also have an employment advice line for individuals who are not entitled to legal aid. Additionally, we provide HR, Equality and Employment Advice to not for profit organisations to enhance their understanding of their responsibilities as an employer, to avoid risks and to create fairer workplace environs.

Our organisation's success depends on attracting and retaining dedicated staff who are committed to a career in claimant legal work and fighting for justice for people who otherwise would not be able to afford it. We are committed to the career development of our staff and are very proud of our trainee solicitor apprenticeship programme, which offers a unique opportunity for aspiring lawyers to gain practical experience and qualifications. We are pleased to report that our organisation has secured funding from two sources to enhance our staff development and service delivery. Firstly, we have received a grant to enable us to access expert training from Pam Kenworthy OBE, a leading solicitor and mediator in the field of employment and discrimination law. Secondly, we have obtained funding from the Apprenticeship Levy Transfer Scheme to support our apprenticeship programme, and funding from Steve Morgan Foundation to enable a young apprentice to qualify as a solicitor.

The cost-of-living crisis has significantly impacted on us, resulting in the highest labour turnover we have ever experienced. Legal qualified staff are leaving for higher pay in the private sector, a competition we find difficult to match. To combat this, we must continue with our career development programme and focus on income generation to be able to improve pay and conditions for our dedicated and hardworking team.

We have also delivered a fantastic service for our clients, particularly through our remote telephone service, which enables clients to gain immediate access to legal advice, and our free employment advice line, which has enabled individuals who would not have otherwise known about legal aid to access legal services. Our team has continued to get excellent results for our clients despite the challenges and stress of bringing legal claims in a system that is underfunded, overstretched and under resourced. We also provide early legal advice to clients to prevent stressful litigation. Often, clients have no understanding of the legal system, have issued their own claims resulting in them being rescued and reformulated by our team to protect their legal position. County court claims often end up in the fast track or the multi-track presenting cost risks to clients. All in all, this presents very fast paced and complex systems and processes for our staff to follow, whilst at the same time working with clients who are not directly paying for the service, so managing expectations and dealing with vulnerable clients is highly challenging. We have to protect our staff from vicarious trauma as many of our clients have experienced hardship and injustice.

Despite these difficulties, we have not shied away from the challenges of delivering legal aid, which is underpaid and overly bureaucratic, but a vital service for our society. We are proud of the work we do and the impact we make on the lives of our clients and the wider community. We look forward to continuing our mission in the next year and beyond.

**Joe Keegan (Chair of Trustees)**

# **EQUALITY AND EMPLOYMENT LAW CENTRE LTD.**

## **TRUSTEES' ANNUAL REPORT**

The Trustees are pleased to present their annual report for the period 1<sup>st</sup> April 2022 to 30<sup>th</sup> March 2023 along with the financial statements.

The financial statements have been prepared in accordance with the charity's trust deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published (FRS 102) (effective 1<sup>st</sup> January 2019).

### **Objectives**

Our purpose is to challenge the poverty and inequality supporting individuals to secure equal access to their legal rights. The principal objectives of the charity as laid out in our governing document as follows:

The promotion of any charitable purpose for the benefit of the community in Merseyside and to:

- Relieve poverty by the provision of advice and advocacy in employment and discrimination law to those persons otherwise unable to access such advice and advocacy.
- Promote the efficiency and effectiveness of charities by the provision of advice and training in employment and discrimination law
- Advance education by improving knowledge of employment and discrimination law and its operation of persons resident or employed in Merseyside
- The promotion of any charitable purpose for the benefit of the community

Our work enables individuals to exert their legal rights challenging discrimination and unfair treatment in the workplace and society. We are the only charitable organisation in Merseyside specialising solely in these critical areas of law.

### **Public Benefit**

The Trustees confirm that they have referred to the Charity Commissioner's general guidance on public benefit when reviewing the Charity's Aims and Objectives.

All our charitable activities focus on the provision of legal advice and representation, helping people understand and exercise their legal rights, and are undertaken to further our charitable purposes for the public benefit. Our services are open to the public and free to our clients. We provide legal advice and representation across a wide range of legal areas that impact on people's everyday lives in significant ways. This work is not only of benefit to our individual clients but also to the wider community given the economic and social impact of our work. We also support charitable organisations that require employment or equality advice or training, helping to create fairer and more inclusive workplaces.

We measure our public benefit by:

- Monitoring the outcomes and impacts of our cases and services on our clients' lives.
- Collecting feedback from our clients and partners on their satisfaction and learning outcomes.
- Evaluating our performance against our strategic objectives and indicators.

# EQUALITY AND EMPLOYMENT LAW CENTRE LTD.

## Our purpose and activities

The Law Centre is a charity that provides free and affordable specialist legal advice and representation to individuals in the complex areas of equality and employment law, and cover cases such as:

- age
- disability
- gender reassignment
- marriage or civil partnership (in employment only)
- pregnancy and maternity
- race
- religion or belief
- sex
- sexual orientation
- Unfair dismissal
- Constructive Dismissal
- TUPE
- Whistleblowing
- Settlement grievance

The Law Centre's in house team of specialist solicitors deal with complex legal issues in both the Employment Tribunal and County Court that transform the lives of the people we work with, alleviating poverty and tackling discrimination in the workplace and wider society. We also provide advice to charity employers in the areas of employment and equality.

## Vision

Our vision is to be recognised as the preferred specialist provider of Employment Law and Discrimination advice, HR, and Training & Development to individuals, non-profit, CIC, social enterprises and charitable organisations across England and Wales promoting a fairer and more equal society. We believe that everybody should be treated equally and with dignity and respect both in the workplace and society at large.

## Our Legal Work

As part of our mission, we aim to Advance education by improving knowledge of employment and discrimination law and promote the efficiency and effectiveness of charities by the provision of advice and training in employment and discrimination law.

Unfortunately, discrimination continues to be an ongoing problem. We have handled cases against private, public, and third sector employers who clearly do not understand their responsibilities under the Equality Act 2010. These employers fail to recognise that an employment or discrimination dispute has significant implications for their teams and for the claimant and their families and wider society.

As Martin Luther King Junior said, "**Injustice anywhere is a threat to justice everywhere**. We are caught in an inescapable network of mutuality, tied in a single garment of destiny. Whatever affects one directly, affects all indirectly." — Martin Luther King Jr.,

By promoting equality and preventing discrimination, organizations can create a more inclusive and diverse workplace, which can lead to increased employee satisfaction, productivity, and innovation.

# EQUALITY AND EMPLOYMENT LAW CENTRE LTD.

## Teamwork and Commitment and career development

Our team has worked tirelessly to meet the challenges 22/23 has presented. Their dedication and hard work have been instrumental in our ability to continue providing our much-needed specialist services. We would like to acknowledge the continued commitment of our staff, trustees and volunteers, who have been a pillar of support in these trying times.

We are committed to strengthening our team and continuing to support the apprenticeship programme and careers of our staff developing social justice claimant solicitors of the future . We believe in investing in our people, as they are the backbone of our organisation. Their growth translates into the growth of EAELC and the benefits the communities we serve.

## Achievements and performance

Despite the challenges faced in the financial year 22/23, the organization has had a successful year. We have focused on the objectives set out in the last annual report and have achieved many of them, which will carry over into this year. However, our plans have been disrupted by labour turnover and an increased demand for our service. Here are some of our key achievements:

- Secured **£1.05 million** in damages for clients.
- For every **£1** spent on the organisation, **£1.90** was secured in damages for clients.
- Handled **1174 new cases**.
- Dealt with **6,200 telephone enquiries**.
- Achieved an **82% positive outcome for clients**.
- Maintained a **90.25% client satisfaction** rate.
- Processed **550 employment enquiries through our free advice line**.
- Qualified **1 trainee solicitor**.
- Supported **3 apprentices** on the solicitor apprenticeship scheme.
- Welcomed **10 new legal student volunteers**.
- Submitted **15 grant applications**, of which **6 were successful**.
- Returned a surplus and improved cash flow.
- Developed new partnerships with Social Trading Organizations
- Secured funding to provide clients with one-on-one motivational coaching to help them focus on their goals and ambitions and overcome challenges.

While our organization has achieved many of its objectives, there are still areas that require attention. The disruption caused by labour turnover and increased demand for our services has impacted our ability to focus on certain areas. Specifically, we have not been able to develop our website and social media plans or develop the Law Centre, as a national specialist hub for employment and discrimination, or continue our research work with universities . However, these will be priorities for the upcoming financial year.

## Challenges

Our work across England and Wales has highlighted significant challenges that clients face. These challenges include difficulty accessing legal aid and finding advocacy or support for non-legal issues, particularly for clients with mental health conditions and neurodiversity.

At least 20% of the adult population in the UK may be diagnosed with neurological conditions such as autism, dyslexia, and attention deficit hyperactivity disorder (ADHD), which makes it harder for them to access legal services. Additionally, mental health represents the largest single cause of disability in the UK, with 1 in 6 people reporting a mental health condition at any one time.

## **EQUALITY AND EMPLOYMENT LAW CENTRE LTD.**

Services vary from region to region, and there are advice deserts and a lack of support for non-legal advice across many towns and cities in England and Wales.

For example, support for court is not available in all courts, and the provision of non-legal services for vulnerable people and legal advice varies from region to region. Not every city, region, or urban area has a law centre or services such as Mind or Autism support. Additionally, many third sector organizations are full to capacity, no longer taking new clients, or not even having one in certain areas. Many clients have complex and interlocking legal needs as well as health conditions, which makes it even more challenging for them to access legal services.

The difficulty in finding legal aid providers to assist them adds to the stress and challenges they already face. However, despite these challenges, you continue to serve highly vulnerable and marginalized clients. Legal aid, while a crucial resource, is highly bureaucratic and underfunded. It is essential to address the lack of funding and resources in the legal sector, which has led to a breakdown in society, with other underfunded and under-resourced sectors such as the NHS, mental health, court services, and charities also struggling to provide adequate support to those in need.

A significant ongoing challenge is the increasing delays in the Employment Tribunals and Civil Courts. A huge backlog has led to our clients waiting longer to get justice, often preventing them from moving on with their lives due to the stress of their employment or discrimination claim. This delay significantly disadvantages our clients and is an issue that needs urgent attention. The delays in court proceedings have resulted in cases taking longer to conclude or settle. Often, a respondent will not be willing to settle a case until they are forced to due to a legal deadline. This has further complicated our operations.

Furthermore, there remains a considerable time lag in receiving payment for work carried out under our Legal Aid contracts. Claims on Legal help cases can only be made once the case has been finally closed, often influenced by Legal deadlines set by the courts and out of our control. As we work our way out of the pandemic, managing our cash flow continues to be a top priority for our service. We continue to ensure that our billing procedures are such that claims are submitted as quickly and efficiently as possible. However, this means that cash flow continues to be a significant challenge and as a result, income and expenditure are carefully managed and monitored daily.

There needs to be a holistic and early intervention approach which is something we are committed to developing. Staff must also be protected against vicarious trauma as the situations they come across are heartbreaking and highlight the wider societal challenges including mental health crisis, NHS crisis, Legal Aid crisis, housing crisis, and social care crisis. Our work has shown that clients are struggling to find legal aid providers, particularly in areas such as community care, housing, and education. However, we have developed strong links with the Legal Aid Agency, particularly the Contract Management team, who are very supportive."

Despite these challenges we are committed to addresses the injustices our client face developing a more holistic approach to our services



# **EQUALITY AND EMPLOYMENT LAW CENTRE LTD.**

## **FINANCIAL REVIEW**

The overall total income in the year was £582,705 (2022: £644,547) of which £48,119 (2022: £28,679), related to funding for projects upon which restrictions are placed. Total expenditure in the year was £540,368 (2022: £433,552) leaving a surplus for the year of £42,337 (2022: £210,995) As at 31st March 2023 the charitable company's reserves stood at a balance of £230,187 (2022: £187,850) of which £825 (2022: £18,679) represented restricted funds.

## **Risk Management**

The Board of Trustees conducts regular reviews of risks to which the charity is exposed. There is a risk register that is updated and reviewed by the Board regularly. Systems and procedures which are in the Office Manual sets out all our policies and procedures in relation to risk management. Significant external risks have led to the development of a fundraising strategy and plans to diversity income generation activities.

There are policies in place to ensure legal compliance, health and safety compliance, cyber security. We successfully maintained our 3-year Specialist Quality mark in 2021.

The risk management strategy includes:

- A risk register.
- An annual review of risks
- Ongoing monitoring of risks
- Office Manual with policies and procedures
- A business continuity plan

## **Reserves Policy**

It is the policy of the charitable company to maintain unrestricted funds, which are free reserves at a level to cover redundancy provision and allow the charity to continue to run its activities for three months should no further funding be received. As at the end of the financial year the unrestricted funds totaled £229,362. The charitable company requires £9,933 for redundancy provision, and £105,888 for three months' running costs, (total £115,821).

## **Plans for the Future**

As we look to the future, we are aware of the continued uncertainty significantly affecting our clients, our staff, and society at large. However, we remain committed to our mission. We are driven to make a difference in people's lives and create positive social change.

We are driven to make a difference in people's lives and create positive social change.

We are committed to developing the next generation of Legal Aid claimant solicitors through career development, training and the solicitor apprenticeship programme.

Our ambition is to find like-minded partners with the same vision to collaborate to strengthen the legal offer to clients and strengthen our teams. Enhancing the services to clients, developing a holistic approach.

## **EQUALITY AND EMPLOYMENT LAW CENTRE LTD.**

We are looking at innovative ways to attract legal professionals committed to developing a career in social justice.

To improve our productivity, we are focusing on our systems and processes and investing in IT infrastructure.

Additionally, we will be looking to at new ways to generate income through earned income increasing our surplus which will be re-invested back into our service.

We want to develop the law centre as a national central hub of expertise in the areas of employment and discrimination and to challenge the injustices that we see on a regular basis and raise awareness of these.

Given the challenging macroeconomic and geopolitical backdrop, it is difficult to predict the future with certainty. However, our progress is encouraging, and we are confident that by continuing to invest in our strategy, we will deliver for our clients, staff, suppliers, and communities.

We have come through so much already, and our solidarity will continue to deliver our services and continue to develop and grow to meet the ongoing demand for our vital services.

### **Structure, Governance and Management**

The organisation is a charitable company limited by guarantee, incorporated on 23<sup>rd</sup> October 2003 (company number 04946069) and registered as a charity (charity number 1101876) on 3<sup>rd</sup> February 2004.

The Governing Instruments under which the charitable company operates comprise the Memorandum and Articles of Association dated 15<sup>th</sup> October 2003.

The Board of Trustees meets quarterly to monitor the charity's activities and performance, to determine strategy and attend to all other matters of governance.

### **Recruitment and appointment of trustees**

Currently there are 3 Board members and there are plans to recruit additional board members. Board members have a range of skills with expertise including legal, marketing, charity Management and governance, business and customer service.

Trustee vacancies are advertised, and new Trustees are appointed by existing Trustees. All vacancies, including those for new Trustees, are advertised on our website. Members may be elected to the Board at the Annual General Meeting by the Trustees

The CEO has delegated authority to manage our overall organisation, including management and staffing, our procedures in financial and other matters, including conduct and discipline, learning and development, marketing, fundraising, and implementing strategy proposals and plans. Reporting to the Board the results of these at the quarterly meetings.

## **EQUALITY AND EMPLOYMENT LAW CENTRE LTD.**

### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

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 as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the trustees should follow best practice and:

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

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

The financial statements have been prepared in accordance with the charity's trust deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published (FRS 102) (effective 1<sup>st</sup> January 2019).

### **APPROVED ON BEHALF OF THE BOARD:**

A handwritten signature in black ink, appearing to be 'J Keegan', written over a vertical line that serves as a signature line.

**J Keegan - Trustee**

Date: 23<sup>rd</sup> January 2024

# EQUALITY AND EMPLOYMENT LAW CENTRE LTD.

## INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES

I report to the trustees on my examination of the accounts for the year ended 30 March 2023.

### Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act') and the Charities Act 2011 ('the 2011 Act'). The trustees consider that an audit is not required for this year under section 144(2) of the Act and that an independent examination is needed.

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

### Independent examiner's statement

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of CIPFA, which is one of the listed bodies.

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

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

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



Matthew Brown, CPFA  
Adding Value Consultancy Ltd  
Accountants and Financial Management Consultants

Date: 23<sup>rd</sup> January 2024

## EQUALITY AND EMPLOYMENT LAW CENTRE LTD.

### STATEMENT OF FINANCIAL ACTIVITIES (including Income & Expenditure) FOR THE PERIOD 1<sup>st</sup> APRIL 2022 TO 30<sup>th</sup> MARCH 2023

	Notes	2023 Unrestricted Funds £	2023 Restricted Funds £	<b>2023 Total Funds £</b>	2022 Total Funds £
<b>INCOMING RESOURCES</b>					
<b>Incoming from:</b>					
Donations and Legacies	<b>3</b>	(6,203)	0	<b>(6,203)</b>	7,508
Charitable Activities	<b>4</b>	540,789	48,119	<b>588,908</b>	637,039
<b>Total Income</b>		<b>534,586</b>	<b>48,119</b>	<b>582,705</b>	<b>644,547</b>
<b>RESOURCES EXPENDED</b>					
<b>Expenditure on:</b>					
Charitable Activities	<b>5</b>	474,395	65,973	<b>540,368</b>	433,552
<b>Total Expenditure</b>		<b>474,395</b>	<b>65,973</b>	<b>540,368</b>	<b>433,552</b>
<b>Net Movement in Funds</b>		<b>60,191</b>	<b>(17,854)</b>	<b>42,337</b>	210,995
<b>FUNDS BROUGHT FORWARD</b>		169,171	18,679	<b>187,850</b>	(23,145)
<b>FUNDS CARRIED FORWARD</b>		<b>229,362</b>	<b>825</b>	<b>230,187</b>	<b>187,850</b>

The notes on pages 15 to 24 form part of these accounts.

All the above amounts relate to the continuing activities of the charitable company.

**EQUALITY AND EMPLOYMENT LAW CENTRE LTD.** company No 04946069  
**BALANCE SHEET AS AT 30<sup>th</sup> MARCH 2023**

	Notes	<u>2023</u> £	<u>2022</u> £
<b>FIXED ASSETS</b>			
Tangible Assets	<b>6</b>	0	0
<b>CURRENT ASSETS</b>			
Work in progress	<b>7</b>	207,620	232,106
Debtors	<b>8</b>	89,252	69,336
Cash at Bank and in hand		<u>72,751</u>	<u>62,436</u>
		369,623	363,878
<b>CREDITORS</b>			
Amounts falling due within one year	<b>9</b>	<u>(130,931)</u>	<u>(143,490)</u>
<b>NET CURRENT ASSETS</b>		<u>238,692</u>	<u>220,388</u>
<b>CREDITORS</b>			
Amounts falling due after more one year	<b>11</b>	<u>(8,506)</u>	<u>(32,538)</u>
<b>TOTAL NET ASSETS</b>		<u><b>230,187</b></u>	<u><b>187,850</b></u>
<b>FUNDS</b>			
Unrestricted Funds	<b>13</b>	229,362	169,171
Restricted Funds	<b>14</b>	<u>825</u>	<u>18,679</u>
<b>TOTAL FUNDS</b>		<u><b>230,187</b></u>	<u><b>187,850</b></u>

These financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

These accounts have been prepared in accordance with the provisions applicable to small companies subject to the small companies' regime and in accordance with FRS102 SORP.

For the period covered by these accounts the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The trustees, who are the directors of the company, acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

**APPROVED ON BEHALF OF THE BOARD:**



**J Keegan - Trustee**

Date: 23<sup>rd</sup> January 2024.

EQUALITY AND EMPLOYMENT LAW CENTRE LTD.  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30<sup>th</sup> MARCH 2023**

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	Note	30th March 23	31st March 22
<b>Cashflows from operating activities</b>		<b>£</b>	<b>£</b>
Cash (used)/generated from operations	15	10,315	31,654
Net cash (used in) investing activities		0	0
Net cash generated from financing activities		0	0
<b>Net increase in cash and cash equivalents</b>		<b>10,315</b>	<b>31,654</b>
Cash and cash equivalents at beginning of year		62,436	30,782
<b>Cash and cash equivalents at end of year</b>		<b>72,751</b>	<b>62,436</b>
<b>represented by:</b>		<b>30th March 23</b>	<b>31st March 22</b>
		<b>£</b>	<b>£</b>
cash at bank and in hand		72,751	62,436

**EQUALITY AND EMPLOYMENT LAW CENTRE LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD 1st APRIL 2022 TO 30<sup>th</sup> MARCH 2023**

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**1. Limited Liability**

The organisation is a private company limited by guarantee without share capital. Each member's liability is limited to £5.

**2. Accounting Policies**

**Basis of accounting**

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

The financial statements have been prepared in accordance with the charity's trust deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published (FRS 102) effective 1<sup>st</sup> January 2019.

The accounts are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

**Going concern**

At the time of approving the accounts the Trustees have a reasonable expectation, for the reasons outlined in the Annual Report, that the charitable company will be able to access adequate resources to continue in operational existence for the foreseeable future. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the accounts.

**Fund accounting**

Unrestricted funds are the charitable company's free reserves available for the Trustees to apply in accordance with the charitable company's charitable objectives.

Restricted funds are subject to specific restrictive conditions imposed by the donor. All restricted funds are accounted for as restricted income and expenditure for the purposes is charged to the fund.

**Income recognition**

All income is recognised once the charitable company has entitlement to the income, there is sufficient certainty of receipt and so it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Donations and legacies comprise of donations and general grants which are recognised in the accounts when received, with the exception of known legacies which are accounted for when their receipt is certain.

Income from charitable activities is recognised on an accrual's basis except for grants receivable, which are recognised on the date on which their unconditional payment is confirmed by the donor.

**Expenditure recognition**

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



## EQUALITY AND EMPLOYMENT LAW CENTRE LTD.

### NOTES TO THE FINANCIAL STATEMENTS (continued)

All expenditure is accounted for on an accrual basis. All expenses, including support costs and governance costs, are allocated or apportioned to the applicable expenditure headings in the Statement of Financial Activities. Support and governance costs are applied to unrestricted funds unless specifically included in the restrictions, as specified by the donor.

Expenditure on charitable activities relates to the operation of the charitable company comprising of direct charitable expenditure to meet the objectives of the charitable company. Support and governance costs relate to the management and operation of the organisation and also compliance with constitutional and statutory requirements in producing the annual report. These are dealt with in the Statement of Financial Activities when payment has been approved by the charitable company.

#### **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

#### **Fixed Assets**

Capital expenditure is stated in the balance sheet at cost less accumulated depreciation. Depreciation is provided to write off the cost of each asset over its expected useful life as below:

Office Equipment	33% per annum straight line basis
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#### **Work in progress**

Work in progress is included in these accounts to reflect income for chargeable hours undertaken on cases which have not reached a conclusion at the year end. These hours are only included to the extent that they are fully recoverable.

#### **Financial instruments**

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# EQUALITY AND EMPLOYMENT LAW CENTRE LTD.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

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### Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

### Derecognition of financial liabilities

Financial liabilities are derecognized when the charitable company's contractual obligations expire or are discharged or cancelled.

### Taxation

Income and gains are exempt from taxation as they are received and applied for charitable purposes only. The charitable company benefits from various exemptions from taxation afforded by tax legislation and is not liable to corporation tax on income or gains falling within those exemptions.

### Critical accounting estimates and judgements

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

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3. Income and endowments from:

	2023 Unrestricted Funds £	2023 Restricted Funds £	2023 Total Funds £	2022 Total Funds £
Donations and Gifts	<u>(6,203)</u>	<u>0</u>	<u>(6,203)</u>	<u>7,508</u>

Donations that were anticipated in prior year but remain unpaid have been written off.

**EQUALITY AND EMPLOYMENT LAW CENTRE LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**4 Income from Charitable activities**

	2023 Unrestricted Funds £	2023 Restricted Funds £	2023 Total Funds £	2022 Total Funds £
Contract income	239,171		<b>239,171</b>	470,439
Contract income (WIP)	207,620		<b>207,620</b>	110,862
Private sales income	75,355		<b>75,355</b>	27,059
AB Charitable Trust	15,000		<b>15,000</b>	
Apprentice Incentive	3,000		<b>3,000</b>	
Access to work grant	643		<b>643</b>	
ATJ Community Justice Fund		14,698	<b>14,698</b>	
Liverpool City Council - Community Resource Grant		10,147	<b>10,147</b>	11,179
National Lottery Awards for all		10,000	<b>10,000</b>	
Steve Morgan Foundation		8,274	<b>8,274</b>	
John Moores Foundation		5,000	<b>5,000</b>	
First Ark Social Investment	-	-	-	7,500
Social Investment Business Growth Fund	-	-	-	10,000
	<u>540,789</u>	<u>48,119</u>	<u><b>588,908</b></u>	<u>637,039</u>

**5: Expenditure on charitable activities:**

	Direct Charitable Expenditure	Support and Governance costs	Total 2023 £	Total 2022 £
Provision of advice and advocacy in the area of employment law for the Merseyside Community	429,135	111,233	<b>540,368</b>	433,552

**a. Analysed as follows:**

	Total 2023 £	Total 2022 £
<i>Direct charitable expenditure:</i>		
Staff salary costs	<b>308,317</b>	274,367
Pension	<b>15,107</b>	4,768
Volunteer expenses	<b>0</b>	0
Legal and consultancy fees	<b>34,421</b>	49,009
Discounts	<b>0</b>	1,078
Clients' compensation	<b>71,291</b>	2,911
	<u><b>429,135</b></u>	<u>332,133</u>

**EQUALITY AND EMPLOYMENT LAW CENTRE LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

<i>Support &amp; Governance costs:</i>	<b>Total 2023</b>	Total 2022
	<b>£</b>	£
Staff salary costs	<b>18,600</b>	18,600
Pension	<b>504</b>	504
Running costs	<b>21,964</b>	28,075
Office costs	<b>7,972</b>	9,962
Travel expenses	<b>131</b>	69
Insurance	<b>4,693</b>	4,685
Training	<b>13,294</b>	6,106
Recruitment	<b>0</b>	3,000
Computer costs	<b>34,782</b>	19,052
Subscriptions	<b>1,277</b>	80
Staff welfare	<b>1,343</b>	2,867
Marketing	<b>440</b>	447
Bank charges	<b>0</b>	37
Loan interest	<b>4,017</b>	5,902
Payroll Fees	<b>837</b>	709
Accountancy	<b>1,380</b>	1,270
Depreciation	<b>0</b>	57
	<b>111,233</b>	101,419

**Total expenditure on charitable activities**

<b>Analysis by fund</b>	<b>Total 2023</b>	Total 2022
	<b>£</b>	£
Unrestricted funds	<b>474,395</b>	2,345
Restricted funds	<b>65,973</b>	253,463
	<b>540,368</b>	255,808

**b. Staff Costs**

	<b>2023</b>	2022
	<b>£</b>	£
Wages and Salaries	<b>315,931</b>	276,334
Social Security Costs	<b>21,201</b>	16,633
Pensions	<b>6,792</b>	5,272
	<b>343,924</b>	298,239

The average number of full-time equivalent employees during the period was as follows:

	<b>2023</b>	2022
Charitable Activities	<b>9.0</b>	12.5

No employee received emoluments of more than £60,000 during the year. (2022: none).  
The trustees are not remunerated for their services and are not included above.

**EQUALITY AND EMPLOYMENT LAW CENTRE LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

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**EQUALITY AND EMPLOYMENT LAW CENTRE LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**6. Tangible Fixed Assets**

<b>Costs</b>	<b>Office Equipment £</b>	<b>Total £</b>
At 1 April 2022	6,282	<b>6,282</b>
Disposals	0	<b>0</b>
Additions	0	<b>0</b>
<b>At 31 March 2023</b>	<u>6,282</u>	<u><b>6,282</b></u>
<b>Depreciation</b>		
At 1 April 2022	6,282	<b>6,282</b>
On Disposals	0	<b>0</b>
Charge for the year	0	<b>0</b>
<b>At 31 March 2023</b>	<u>6,282</u>	<u><b>6,282</b></u>
<b>Net Book Value</b>		
<b>At 31 March 2023</b>	<b>0</b>	<b>0</b>
At 31 March 2022	0	0

**7: Work in progress**

	<b>2023 £</b>	<b>2022 £</b>
Work in progress	<u><b>207,620</b></u>	<u>232,106</u>

**8: Debtors:**

	<b>2023 £</b>	<b>2022 £</b>
Debtors	<u><b>5,287</b></u>	31,798
Other Debtors	<b>80,393</b>	37,538
Prepayments	<u><b>3,572</b></u>	
	<u><b>89,252</b></u>	<u>69,336</u>

**9: Creditors: amounts falling due within one year**

	<b>2023 £</b>	<b>2022 £</b>
Accruals	<u><b>45,673</b></u>	60,689
Tax and Social Security	<b>18,707</b>	28,101
Other creditors	<b>42,143</b>	32,726
Loan (see note 10)	<u><b>24,032</b></u>	21,974
	<u><b>130,556</b></u>	<u>143,490</u>

**EQUALITY AND EMPLOYMENT LAW CENTRE LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**10: Loans**

The following capital repayments are included within creditors:

	<b>2023</b>	2022
	<b>£</b>	£
Due within one year	<b>24,032</b>	21,974
Due between one to two years	<b>8,506</b>	22,107
Due between two to five years	<b>0</b>	10,431
	<b>32,538</b>	54,512

The sum of £84,000 was advanced by First Ark Social Investment on an unsecured basis, repayable over five years with interest being charged at the rate of 9% per annum. An eighteen-months capital holiday period was granted, commencing April 2018. This was extended in August 2019 for capital repayments to commence in October 2020. At 30<sup>th</sup> March 2023 the remaining balance of £32,538 is outstanding.

**11: Creditors: amounts falling due after more than one year**

	<b>2023</b>	2022
	<b>£</b>	£
Loan (see note 10)	<b>8,506</b>	32,538

**12: Analysis of Net Assets between Funds**

<b>Period 1st April 2022 to 31st March 2023</b>	Unrestricted Funds £	Restricted Funds £	<b>2023 Total</b> £	2022 Total £
Tangible fixed assets	0	0	0	0
Current assets (liabilities)	368,798	825	369,623	220,388
Creditors: due in more than one year	(8,506)		(8,506)	(32,538)
Creditors: due in more than one year				32,538
	<b>360,293</b>	<b>825</b>	<b>361,118</b>	187,850
	Unrestricted Funds £	Restricted Funds £	<b>2023 Total</b> £	2022 Total £
<b>Period 1st April 2021 to 31st March 2022</b>				
Tangible fixed assets	0	0	0	0
Current assets (liabilities)	201,709	18,679	220,388	220,388
Creditors: due in more than one year	(32,538)	0	(32,538)	(32,538)
Creditors: due in more than one year				(187,850)
	<b>169,171</b>	<b>18,679</b>	<b>187,850</b>	187,850

**EQUALITY AND EMPLOYMENT LAW CENTRE LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**13: Unrestricted Funds**

Period 1st April 2022 to 31st March 2023	Balance at 1st April 2022	Incoming Resources	Resources Expended	Transfers between Funds	Balance at 31st March 2023
	£	£	£	£	£
Unrestricted Funds	169,171	534,586	474,395	0	229,362
<b>Unrestricted Funds</b>	<b>169,171</b>	<b>534,586</b>	<b>474,395</b>	<b>0</b>	<b>229,362</b>

Period 1st April 2021 to 31st March 2022	Balance at 1st April 2022	Incoming Resources	Resources Expended	Transfers between Funds	Balance at 31st March 2023
	£	£	£	£	£
General Funds	(23,145)	615,868	423,552	0	169,171
<b>Unrestricted Funds</b>	<b>(23,145)</b>	<b>615,868</b>	<b>423,552</b>	<b>0</b>	<b>169,171</b>

General Fund is used to finance the charitable company's general activities as outlined in the Trustees' Report

**14: Restricted Funds**

Period 1st April 2022 to 31st March 2023	Balance at 1st April 2022	Incoming Resources	Resources Expended	Transfers between Funds	Balance at 31st March 2023
	£	£	£	£	£
First Ark Social Investment	7,500	0	7,500	0	0
Liverpool City Council Community Resource Grant	11,179	10,147	21,326	0	0
Steve Morgan Foundation	0	8,274	7,449	0	825
ATJ Community Justice Fund	0	14,698	14,698	0	0
National Lottery Awards for all	0	10,000	10,000	0	0
John Moores Foundation	0	5,000	5,000	0	0
					0
<b>Restricted Funds</b>	<b>18,679</b>	<b>48,119</b>	<b>65,973</b>	<b>0</b>	<b>825</b>

Period 1st April 2021 to 31st March 2022	Balance at 1st April 2022	Incoming Resources	Resources Expended	Transfers between Funds	Balance at 31st March 2023
	£	£	£	£	£
First Ark Social Investment	0	7,500	0	0	7,500
Liverpool City Council Community Resource Grant	0	11,179	0	0	11,179
Social Investment Business Growth Fund	0	10,000	10,000	0	0
<b>Restricted Funds</b>	<b>0</b>	<b>28,679</b>	<b>10,000</b>	<b>0</b>	<b>18,679</b>



**EQUALITY AND EMPLOYMENT LAW CENTRE LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**15. Cash generated from operations**

	<b>2023</b>	2022
	<b>£</b>	£
Surplus for the year	42,337	210,095
<b>Adjustment for:</b>		
Depreciation	<b>0</b>	57
Loss on disposal of equipment	<b>0</b>	0
<b>Movements in working capital:</b>		
Decrease/(increase) in work in progress	24,486	(110,833)
(Increase)/decrease in debtors	(19,916)	(68,676)
Increase/(decrease) in creditors	(12,559)	22,085
Increase/(decrease) in creditors amounts falling due after more than one year	(24,032)	(21,974)
<b>Cash generated from operations</b>	<b>10,315</b>	<b>31,654</b>

**16: Operating Lease Commitments**

The organisation has a licence commitment in relation to rental of premises at 151 Dale Street dated May 2018; the licence has a one-month notice clause. Also, there is a four year lease commitment taken out in November 2018 in respect of a photocopier. Payments fall due as under:

	<b>2023</b>	2022
	<b>£</b>	£
Premises	<b>0</b>	1,097
Photocopier	<b>0</b>	345
Total due within one year	<b>0</b>	1,442
Total due within one to two years	<b>0</b>	0
	<b>0</b>	1,442

**17: Contingent liabilities**

There were no contingent liabilities as at 30<sup>th</sup> March 2023 (2022: none).

**18: Related Parties**

There were no material related party transactions during the year which require disclosure (2022: none).

**19: Guarantees**

As at 30<sup>th</sup> March 2023, 5 members had given a guarantee of £5 each in the event of the company winding-up, total: £25 (31<sup>st</sup> March 2022: 4 members £20).