

REGISTERED COMPANY NUMBER: 06830503 (England and Wales)
REGISTERED CHARITY NUMBER: 1128718

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020
FOR
COMMUNITY LAW SERVICE (NORTHAMPTON AND COUNTY)**

COMMUNITY LAW SERVICE (NORTHAMPTON AND COUNTY)

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FOR THE YEAR ENDED 31 MARCH 2020**

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COMMUNITY LAW SERVICE (NORTHAMPTON AND COUNTY)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2020

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2020. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Principal aims

The Objects of the Charity are to promote any charitable purpose for the benefit of the public, including, the advancement of education, the protection of health, the relief of poverty, sickness, and distress, by the provision of social welfare law advice, information, representation and training and consultancy services.

This objective is achieved through the provision of Social Welfare advice, casework, representation, training, and consultancy services currently in the fields of Welfare Benefits, Debt, Housing, Immigration and Fuel Poverty. We provide an end to end service to ensure the best possible outcome for clients. We deliver a range of services for local communities and have a diverse funding base with resources focused on supporting vulnerable client groups through a mixed model of service delivery aimed at promoting equality of access to our services. Welfare Benefits advice, income maximisation, managing debt and financial capability support, homelessness prevention and tackling fuel poverty are key service activities. We have well developed partnerships and referral arrangements in place with a wide range of agencies across Northamptonshire.

Public benefit

The Trustees have regard to the Charity Commission's public benefit guidance in all their decision-making. This Annual Report contains details of how they have carried out the Charity's purposes for the public benefit. Community Law Service (Northampton & County) charitable activities are focused on enabling people to access social welfare advice to help them resolve problems that are affecting their quality of life. This is done through offering timely access to advice which can have benefits beyond the alleviation of specific financial or other problems. These include maintenance of physical and mental health and well-being; whereas an inability to access help and advice when it is needed can result in problems worsening and escalating at increasing cost to the individual and, often, to third parties and to the public purse.

Strategy & Plans

The Trustees review the Charity's objectives periodically in the context of updating their strategy and Business Plan. This is usually done annually. A new Business Plan was approved in October 2019. Annual plans reflecting the current Business Plan are made for each financial year in parallel with the setting of annual budgets. The Annual Plan is reviewed quarterly to assess performance against targets and the budget is subject to quarterly review of income against expenditure and a variance analysis.

COMMUNITY LAW SERVICE (NORTHAMPTON AND COUNTY)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2020

ACHIEVEMENT AND PERFORMANCE

It was another successful year for the Charity with excellent outcomes achieved for residents as can be seen by the summary below thanks to the specialist advice provided by the Charity's highly experienced advice team. Performance was very satisfactory against targets throughout the year across all projects although toward the end of March when the lockdown commenced face to face appointments, outreach and court attendance ceased producing some reduction in footfall but telephone support for clients was provided and continued to be the main area of support going forward into the next financial year.

- 26,801 People provided with advice and information
- 9,270 People provided with specialist advice
- £14,717,201 Additional Welfare Benefit income secured for people assisted
- £25,966,360 Debt was managed on behalf of clients
- 187 Debt Relief Orders administered
- 41 Bankruptcy petitions supported
- 1,519 Repossession and eviction cases represented in County Courts
- 288 People supported with Social Security Appeal Tribunals
- 459 Home visits were undertaken for housebound clients
- 4,423 People accessed services through CLS Advice Centres
- 4,320 People accessed services through CLS community outreach venues

People accessed services by phone

Client Profile

- 82% of clients were working age
- 36% of clients had dependent children
- 48% of clients lived in social housing
- 75% of clients experienced ill health and/or had a disability
- 25% of clients were from BME communities

Overview of the Year

Debt advice has continued to be one of the main areas of advice provided by CLS with 2,666 people provided with specialist Debt advice during the year. Since 2006 CLS has delivered the Money and Pensions Service (MaPS face to face debt advice provision across Northamptonshire with funding for specialist Debt Advisors as part of East Midlands Money Advice. 90% of Debt advice work was supported through this funding with the remaining Debt advice cases supported through funding from East Northamptonshire Council.

Our Housing Advice Service continued to be in high demand with 1,444 people provided with advice during the year primarily in respect of Repossession and Eviction. In addition to providing casework and representation under Legal Aid funding is also provided by the Legal Aid Agency to deliver Housing Possession Court Duty Schemes at Northampton, Peterborough Cambridge, Milton Keynes and Lincoln County Courts. There was a continued success rate of over 98% at keeping people in their own homes. The loss of the NCC Housing advice funding from NCC has meant that CLS is restricted to providing advice only to those who meet the eligibility requirements for Legal Aid. We continue to explore avenues for other funding to facilitate Housing advice for people on low incomes who are not eligible for Legal Aid.

In East Northants we continued our successful Debt Management and Benefit Take-up service funded by East Northants Council providing advice and support for 1,139 local residents through this funding source. The provision funded by the Council is complimented by a range of other advice provision for local residents funded through other sources resulting in a total of 1,540 residents across the District provided with specialist advice during the year.

COMMUNITY LAW SERVICE (NORTHAMPTON AND COUNTY)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2020

August 2019 saw the start of the second year of our 3 year grant from Children in Need. The funding supports a Children's Benefit Take-Up Project aimed at maximising income for disabled and ill children and their families with take-up of the service far exceeding the numbers expected demonstrating the significant need for the services provided through this Project with 286 children and young people and their families and £1,543,029 additional benefit claimed.

The Financial Health and Wellbeing Service funded by British Gas Energy Trust which commenced in December 2014 is now well established with 1319 people supported during the year. Working in partnership with GP practices, Community Mental Health Teams and other health professionals this Project provides an holistic approach to tackling Fuel Poverty targeted at people with mental or physical health problems.

Northamptonshire Energy Saving Service (NESS) funded by National Grid's Warm Homes Fund completed its first successful year May 2019 and throughout this second year has gone from strength to strength supporting 2,403 people experiencing fuel poverty and helping them to secure additional income to help better afford their energy bills and other essentials. CLS are leading on NESS in partnership with 3 other VCS organisations and Northamptonshire County Council. The funding is supporting 3 full time CLS advisors, management costs and project overheads to deliver fuel poverty support for households across the County. The Project services include Debt and Welfare Benefits advice, energy tariff switching, energy advice, Home Energy Assessments, energy saving measures in the home and outreach promotion on a Rural information Centre vehicle across Northamptonshire.

The Cosy Homes Project funded by Green Star Energy commenced October 2018 and provided income maximisation, debt and energy efficiency advice for low income households. Initially intended to be funded for two years the Project was due to focus on developing work with patients at Milton Keynes Hospital as well as support for residents of Northamptonshire. The Project however was only funded by Green Star Energy until March 2019 with a small amount of further work up until December 2019 as the company considered they had sufficiently met their ECO obligations without the need for further investment. The short term funding meant that it was not possible to establish a new service at Milton Keynes hospital and therefore the work was primarily carried out in Northamptonshire. 229 clients were provided with advice and £699,787 of additional Welfare Benefit income was claimed for beneficiaries.

The Immigration fee paying service which provides free initial advice continued to be popular with local residents with 549 people provided with advice during the year. The Service currently receives no external funding for Immigration advice since Immigration was taken out of scope by the Government in 2012 and is presently a self-funded service for the local community.

There was some success at securing new funding during the year with a new grant of £50,000 from Nationwide Building Society to provide a two year Housing Support Service from April 2020 and also £3,000 funding from St Giles Charitable Trust Fund in Northampton administered by Northamptonshire Community Foundation. This grant supported a 6 month Project to March 2020 providing Welfare Benefits advice for low income households and included outreach sessions at the Hope Centre a charity supporting homeless people in Northampton.

Funding from Northamptonshire Carers continued in this year facilitating outreach sessions providing benefits advice for carers and their families. 28 people were supported through this funding during the year.

In March came the challenge of Covid-19 which radically changed the way we had to deliver services with staff having to work from home and clients being advised by phone and email. For most Projects the new arrangements proved effective, but the Housing Service was affected by the court closure and suspension of eviction and possession proceedings. With no Legal Aid income being generated and all CLS premises closed to the public some administrative staff, Housing and Immigration advisors were furloughed with the Housing Manager remaining in post to manage outstanding casework. Fortunately, as the year progressed, we were able to secure funding to compensate for the loss of Housing income. The situation has been very challenging but overall staff adapted well to delivering the services mostly from home. In September 2020, the organisation commenced a partial return to the office and the situation is being carefully monitored month by month. For most of 2020 we expect the situation to remain challenging, but the organisation is in a good position to maintain services and is financially stable.

COMMUNITY LAW SERVICE (NORTHAMPTON AND COUNTY)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2020

The Trustees express appreciation of the support provided by all of the organisation's funders for their past and continued support. We thank the staff for rising to the challenges presented by the pandemic and for their excellent work and the outcomes they achieve for clients and their commitment without which CLS could not deliver such important services for local communities.

FINANCIAL REVIEW

Total income from all sources during this financial year was £1,239,862 compared to £1,273,096 in the previous year. £175,380 of the income was in respect of payments made to Northamptonshire Energy Saving Service project partners for their share of the project funding Expenditure was £1,281,862 with the highest costs in respect of staff salaries which represented 74% of total expenditure. At the year end there was an unrestricted fund deficit of £69,742 reducing the organisations unrestricted reserves to £45,797.

The withdrawal of funding for advice provision across the County by Northamptonshire County Council continued to affect the services capacity to meet demand for Welfare Benefits advice which is now provided primarily through the Service's fuel poverty projects although these have restricted eligibility criteria. Loss of the NCC funding however not only impacted on services but also on the organisation's finances. The loss of the County Council's long standing contribution to the organisational overheads significantly contributed to the deficit at the end of the year along with lower than expected income from Green Star Energy.

During the year there was continuity of funding in respect of the Financial Health and Wellbeing Service funded by British Gas Energy Trust, the Children's Benefit Take-Up Project funded by Children in Need, and Northamptonshire Energy Saving Service funded by National Grid Warm Homes Fund.

The organisation welcomed further extension of funding as part of East Midlands Money Advice from the Money and Pensions Service which supports face to face Debt advice across the County. This funding at £267,000 per annum supports 5.3 full time specialist Debt Advisors. The MaPS funding is now one of the main source of funding for the organisations Debt Advice Service along with the funding from East Northamptonshire Council.

The organisation was pleased to receive continued funding through the grant agreements with Northampton Borough Council and East Northamptonshire Council. From March 2021 local authority support from both of these authorities will transfer to the two new unitary authorities for Northamptonshire.

Housing Legal Aid income continued to be a significant source of unrestricted income with £154,905 generated compared with £148,085 in the previous year. Court closures however toward the end of March and suspension of Housing Possession cases to September 2020 were to see a substantial reduction in Legal Aid income from April 2020.

New funding of £3,000 was received from St Giles Charitable Trust Fund administered by Northamptonshire Community Foundation providing Welfare Benefits advice for low income households and included outreach sessions at the Hope Centre in Northampton supporting homeless people. This provided for a 6 month project to March 2020. Towards the end of the year further funding success came with a two year grant of £50,000 awarded by Nationwide Building Society for a Housing Support Service aimed at addressing some of the underlying issues that caused people to face repossession of their homes.

Donations received from clients during the year totalled £3,235 for which are greatly appreciated given that these are invariably given to us by people on low incomes.

COMMUNITY LAW SERVICE (NORTHAMPTON AND COUNTY)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2020

In light of the impact of the withdrawal of County Council funding plans were made before the end of the year to reduce the organisations overheads. The Service undertook a review of its premises with a view to cost savings and closed the Advice Centre in Wellingborough in January 2020 and co-located with another voluntary organisation leading to costs savings going forward from May 2020. In Northampton the Service had hoped to sublet part of our main premises to generate further income but Covid-19 has made prevented this development.

Whilst there has been success in this respect with new funding from Nationwide Building Society and St Giles Charitable Trust Fund most national funding programs were diverted to emergency funding support in the wake of Covid-19 and longer term funding opportunities were put on hold.

As with most organisations in the voluntary sector CLS has been greatly affected by Covid-19 both in terms of service delivery and finances. The organisations offices closed at the end of March and all face to face work ceased with staff working from home and delivering advice and support to clients by telephone and email.

Whilst there was welcome affirmation from Project funders about continued funding support despite possible reduced outputs CLS was faced with significant reduction in Legal Aid funding from late March with the courts closed and repossession and evictions suspended a situation which continued right through to September 2020. Fortunately, the organisations received significant support from various quarters to compensate for the loss of income. This included business grants from Northampton Borough and East Northants Council and a large grant from the Community Justice Fund. The landlords of our offices in Northampton and East Northants both assisted with reduced rents for the year from April 2020. This support has stabilised the organisations finances considerably and has provided some contingency should there be further difficulty generating legal aid income over the coming months. It is hoped that national funders will re-activate their longer-term funding initiatives and we can then look to apply for new grants to support our services from April 2021.

New funding applications will continue to be submitted as suitable opportunities arise. It will be a priority to secure further funds to from May 2021 when the National Grid Warm Homes Fund contract comes to an end to enable continuation of the important fuel poverty work we currently being delivered under NESS and to maintain the experienced staff currently working on this Project.

Reserves Policy

The Charity holds £45,797 in unrestricted funds. These are general reserves held to adapt to changing circumstances which are inevitable within the Charity Sector. The total amount of funds held at 31st March 2020 is £110,791 of which £64,994 are restricted. Funds held in reserve are in line with the organisations reserves policy.

Future Plans

Going forward as the situation in respect of Covid-19 improves and with a new vaccine on the horizon hopefully there can be a gradual return to normality. The Service has already commenced a controlled re-opening of our main advice centres but it will be a priority to work to return to our normal opening hours across all of our offices and to re-establish as many of our outreach venues as possible as many of these are integral to our Projects. The funding situation from April 2021 is currently looking fairly stable albeit some funding streams which are expected to continue as yet not confirmed. Two Projects are scheduled to end during 2021 but the organisation will be seeking additional funding to maintain these Projects for a further period. A key objective will be to establish longer term funding from the two new unitary authorities with our local authority funding from Northampton Borough Council and East Northamptonshire Council transferring to these new unitaries from April 2021. New funding applications will continue to be submitted as suitable opportunities arise and the Service will continue to take steps to reduce overheads which will incorporate a review of our premises in East Northamptonshire with possible closure of this office in April 2021 unless additional funding to support the rental costs can be secured.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Structure and History

Legal structure

Community Law Service (Northampton & County) is a company limited by guarantee and a registered charity. It is referred to in the overview of the Year as 'CLS'.

History

The organisation was formed in 1983. Originally constituted as an unincorporated association, it became a registered charity in 1992 and a company limited by guarantee in 2009. Originally called Welfare Rights Advice Group the name of the organisation was changed to Welfare Rights Advice Service in 1988 and then to Community Law Service (Northampton & County) in 2009 to reflect an increase in the social welfare law advice areas provided by the Charity.

Membership structure

The members of the Charity are the Trustees.

Governance and Management

The Board of Trustees

The affairs of the Charity are governed by a Board of Trustees who are the members and Directors of the Company for the purposes of the Companies Act 2006 and the trustees of the Charity for the purposes of charity legislation. They are all volunteers. They are referred to collectively in this report as "the Trustees" or "the Board". The Trustees are the only members of the Charity.

Trustee Appointment, Induction and Terms of Office

Most new Trustees will already be familiar with the Charity, with its activities and with charitable operations in general. However, all new trustees are offered a programme of induction to enable them to be fully conversant with the organisation. This normally covers the operation of the Board, obligations under charity and company law, the Articles, staff and the staffing structure, current finances, future plans, the way the Charity and its members operate and their operating environments and familiarisation with the Charity's policies and procedures. Trustees normally serve for terms of three years and may serve more than one term.

Governance

The Board usually meets at least 6 times per year. It meets quarterly to monitor financial and operational activity and on 2 or 3 other occasions during the year to approve an annual budget and plan, to review policies and services and to plan for the future. The Board occasionally creates sub-committees when there is a focus on needed on issue or a new development. A Chief Executive is appointed by the Trustees to manage the operations of the Charity. The Chief Executive also currently serves as the Company Secretary.

Operations

The Chief Executive is responsible for the Charity's operations through a scheme of delegated authority. The scheme is reviewed annually. Within the delegations defined by the scheme the Chief Executive is authorised to act. She may delegate areas of operation to senior managers and, through them, to the wider staff group. In relation to those matters within the scheme on which the Board holds decisions to itself, for example approval of plans and budgets, the Chief Executive will prepare reports and make recommendations for consideration by the Trustees.

COMMUNITY LAW SERVICE (NORTHAMPTON AND COUNTY)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2020

Management and Staffing

Operations are co-ordinated by a Senior Management Team comprising the Chief Executive and 5 senior managers. Total staffing at March 2020 was 38 employees (17 full-time and 19 part-time employees). Total staffing has remained relatively stable with new project funding secured mitigating the loss of other funding enabling re-deployment of staff to other positions.

Key Management Personnel Remuneration

Senior management remuneration is reviewed annually, in the same way as remuneration of all other employees, by a Committee of Trustees making recommendations to the Board. Non-salary terms and conditions for all employees are standard. Salary levels are reviewed with regard to market rates, inflation and affordability.

Staffing Policies

The Board reviews its personnel policies and procedures at least annually, including current salary levels.

Employee Involvement

The Charity seeks to fully engage its staff in pursuit of its objectives. Routine communication methods include management meetings, team meetings and internal e-mails.

Health and Safety

The Charity has a Health and Safety policy which is reviewed annually. Staff supervision incorporates feedback from staff on any health and safety issues which are reported to the Chief Executive regarding any necessary actions.

Environmental Policy

The Charity has an Environmental Policy which is reviewed annually. All staff are active in reducing waste and recycling in line with the environmental policy and associated procedures.

Principal Risks and Uncertainties

The Trustees have a risk management strategy involving an annual review of the major risks to which the Charity is exposed and approval of systems and actions for managing and mitigating them. A Risk Register is produced, updated, and reviewed at least annually. The Charity has always operated at risk of failing to achieve adequate income to pursue its objectives. Many funders do not commit to long term funding but at the present time the Charity has a number of funders who are providing grants or contracts for three years giving more security than in some previous years. None of its income sources can be regarded as secure in the long term however and the Charity has to continually seek out new sources of funding. The known risks are continually monitored and actively managed by the Senior Management Team and the Trustees. The key elements in the management of the risk to income have been diversification of income sources. Day to day risks are relatively minor. Financial risks are minimised by the procedures in place for authorisation of expenditure and commitments. All relevant Insurance cover is in place.

Financial Control

The Board monitors all aspects of financial performance and financial management through its quarterly meetings. It sets annual budgets and requires reporting against them at least quarterly. It reviews internal financial management and reporting arrangements at least annually. In terms of day to day financial control a comprehensive and robust set of financial procedures is in place. The Charity employs a Finance Officer and a Finance Assistant who manage the Charity's finances on a day to day basis. The accounts and financial operations are overseen by the Chief Executive and the Charity's Treasurer who is a qualified accountant.

COMMUNITY LAW SERVICE (NORTHAMPTON AND COUNTY)

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2020**

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

06830503 (England and Wales)

Registered Charity number

1128718

Registered office

49 - 53 Hazelwood Road
Northampton
NN1 1LG

Trustees

Ian Pears (Chair)
Sally Beardsworth
Morcea Walker
Oladapo Sulaimon (Treasurer)
Alison Symmers (resigned 16/12/19)
Carmel Young
Keith Moffit (appointed 29/4/19)

Auditors

DNG Dove Naish LLP, Statutory Auditor
Eagle House
28 Billing Road
Northampton
NN1 5AJ

Company Secretary and Chief Executive Officer (CEO)

Julie Silver - the Trustees have delegated day to day management of the charity to the CEO

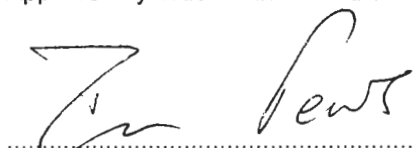
Bankers

Unity Trust Bank Plc
Nine Brindleyplace
Birmingham
B1 2HB

AUDITORS

The auditors, DNG Dove Naish LLP, Statutory Auditor, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 16/11/20 and signed on its behalf by:



.....
Ian Pears (Chair) - Trustee

COMMUNITY LAW SERVICE (NORTHAMPTON AND COUNTY)

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 MARCH 2020

The trustees (who are also the directors of Community Law Service (Northampton and County) for the purposes of company law) are responsible for preparing the Report of the Trustees 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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity 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 charitable company will continue in business.

The trustees are responsible for keeping 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- 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 auditors are aware of that information.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF COMMUNITY LAW SERVICE (NORTHAMPTON AND COUNTY)

Opinion

We have audited the financial statements of Community Law Service (Northampton and County) (the 'charitable company') for the year ended 31 March 2020 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 2020 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; and
- 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 Auditors' 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF COMMUNITY LAW SERVICE (NORTHAMPTON AND COUNTY)

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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 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.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DNG Dove Naish LLP

DNG Dove Naish LLP, Statutory Auditor
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Eagle House
28 Billing Road
Northampton
NN1 5AJ

Date: 20 November 2020

COMMUNITY LAW SERVICE (NORTHAMPTON AND COUNTY)

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	3,235	-	3,235	3,076
Charitable activities	3				
Incoming resources from charitable activities		278,556	942,428	1,220,984	1,253,019
Other income		<u>13,489</u>	<u>1,554</u>	<u>15,043</u>	<u>17,001</u>
Total		295,280	943,982	1,239,262	1,273,096
EXPENDITURE ON					
Charitable activities	4				
Charitable activities		<u>510,178</u>	<u>770,917</u>	<u>1,281,095</u>	<u>1,270,503</u>
NET INCOME/(EXPENDITURE)		(214,898)	173,065	(41,833)	2,593
Transfers between funds	14	<u>145,156</u>	<u>(145,156)</u>	<u>-</u>	<u>-</u>
Net movement in funds		(69,742)	27,909	(41,833)	2,593
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>115,539</u>	<u>37,085</u>	<u>152,624</u>	<u>150,031</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>45,797</u></u>	<u><u>64,994</u></u>	<u><u>110,791</u></u>	<u><u>152,624</u></u>

The notes form part of these financial statements

COMMUNITY LAW SERVICE (NORTHAMPTON AND COUNTY)

**STATEMENT OF FINANCIAL POSITION
31 MARCH 2020**

	Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
CURRENT ASSETS					
Debtors	11	55,798	26,468	82,266	90,110
Cash at bank and in hand		<u>26,926</u>	<u>103,306</u>	<u>130,232</u>	<u>191,243</u>
		82,724	129,774	212,498	281,353
CREDITORS					
Amounts falling due within one year	12	(36,927)	(64,780)	(101,707)	(128,729)
NET CURRENT ASSETS		<u>45,797</u>	<u>64,994</u>	<u>110,791</u>	<u>152,624</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>45,797</u>	<u>64,994</u>	<u>110,791</u>	<u>152,624</u>
NET ASSETS		<u>45,797</u>	<u>64,994</u>	<u>110,791</u>	<u>152,624</u>
FUNDS	14				
Unrestricted funds				45,797	115,539
Restricted funds				<u>64,994</u>	<u>37,085</u>
TOTAL FUNDS				<u>110,791</u>	<u>152,624</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2020.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

The trustees acknowledge their responsibilities for

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been audited under the requirements of Section 145 of the Charities Act 2011.

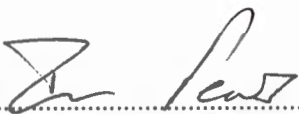
The notes form part of these financial statements

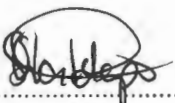
COMMUNITY LAW SERVICE (NORTHAMPTON AND COUNTY)

STATEMENT OF FINANCIAL POSITION - continued
31 MARCH 2020

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on16/4/20..... and were signed on its behalf by:


.....
Ian Pears (Chair) - Trustee


.....
Oladapo Sulaimon (Treasurer) - Trustee

The notes form part of these financial statements

COMMUNITY LAW SERVICE (NORTHAMPTON AND COUNTY)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	1	(59,896)	1,788
Interest paid		<u>(1,115)</u>	<u>(514)</u>
Net cash (used in)/provided by operating activities		<u>(61,011)</u>	<u>1,274</u>
Change in cash and cash equivalents in the reporting period		(61,011)	1,274
Cash and cash equivalents at the beginning of the reporting period		<u>191,243</u>	<u>189,969</u>
Cash and cash equivalents at the end of the reporting period		<u><u>130,232</u></u>	<u><u>191,243</u></u>

The notes form part of these financial statements

COMMUNITY LAW SERVICE (NORTHAMPTON AND COUNTY)

NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(41,833)	2,593
Adjustments for:		
Interest paid	1,115	514
Decrease/(increase) in debtors	7,844	(27,242)
(Decrease)/increase in creditors	(27,022)	25,923
Net cash (used in)/provided by operations	<u>(59,896)</u>	<u>1,788</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/4/19 £	Cash flow £	At 31/3/20 £
Net cash			
Cash at bank and in hand	<u>191,243</u>	<u>(61,011)</u>	<u>130,232</u>
	<u>191,243</u>	<u>(61,011)</u>	<u>130,232</u>
Total	<u>191,243</u>	<u>(61,011)</u>	<u>130,232</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Community Law Service (Northampton and County) is an incorporated charity, registered in England and Wales. The charity's number and registered office address can be found on the Company Information page.

The presentation currency for the financial statements is the Pound Sterling (£).

Going concern

No material uncertainties regarding going concern exist.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed within the individual accounting policies below.

Income

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

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Allocation and apportionment of costs

Costs are allocated and apportioned on an activity basis.

Resources expended are allocated to the particular activity where the cost relates directly to that activity.

All other costs are allocated to the charity's core activity.

Taxation

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

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

COMMUNITY LAW SERVICE (NORTHAMPTON AND COUNTY)

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2020

1. ACCOUNTING POLICIES - continued

Fund accounting

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

Community Law Service (Northampton & County) is a participating employer with the Pensions Trust's Growth Plan providing benefits based on final pensionable pay. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives at the charity.

Financial instruments

Cash and cash equivalents in the statement of financial position comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income under administrative expenses.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the SOFA. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Work in progress

Work in progress is work carried out at the year end but not invoiced prior to the balance sheet date. Work in progress is valued at the lower of net realisable value and cost.

2. DONATIONS AND LEGACIES

	2020	2019
	£	£
Donations	<u>3,235</u>	<u>3,076</u>

COMMUNITY LAW SERVICE (NORTHAMPTON AND COUNTY)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

3. INCOME FROM CHARITABLE ACTIVITIES

	2020 Incoming resources from charitable activities £	2019 Total activities £
Legal Aid Agency fixed fee income	86,399	78,561
Legal Aid Agency certificated work	2,823	264
Legal Aid Agency Housing Possession		
Court Duty Scheme income	65,683	69,260
Immigration Advice Service fixed fees	56,814	64,578
Grants and contracts	<u>1,009,265</u>	<u>1,040,356</u>
	<u>1,220,984</u>	<u>1,253,019</u>

Grants and contracts received, included in the above, are as follows:

	2020 £	2019 £
National Grid Warm Homes Fund	351,321	306,022
Money and Pensions Service (MaPS)	248,800	267,001
British Gas Energy Trust (BGET)	182,738	175,315
Northampton Borough Council	61,800	61,800
East Northamptonshire Council (ENC)	50,000	50,000
Nationwide Building Society	49,940	-
Children in Need	31,335	32,281
Green Star Energy	21,369	78,804
Northamptonshire Community Foundation (NCF) - St Giles		
Charitable Trust	5,000	1,250
Good Things Foundation - HM Courts and Tribunal Service	4,525	-
Northamptonshire Carers	2,437	2,112
Northamptonshire County Council (NCC) - Social Wellbeing Contract		
(Advice Services)	<u>-</u>	<u>65,771</u>
	<u>1,009,265</u>	<u>1,040,356</u>

4. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 5) £	Support costs (see note 6) £	Totals £
Charitable activities	<u>1,097,692</u>	<u>183,403</u>	<u>1,281,095</u>

COMMUNITY LAW SERVICE (NORTHAMPTON AND COUNTY)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

5. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2020 £	2019 £
Staff costs	822,573	816,035
Telephone	7,346	6,698
Postage and stationery	13,556	14,678
Staff training and welfare	6,880	12,509
Staff and volunteer travel	18,765	19,550
Venue hire	9,741	8,215
Subscriptions	4,571	5,335
Payments to partners	175,380	162,241
Reference books and literature	2,174	2,374
Home energy assessments	2,206	1,456
Boiler replacement and energy saving measures	31,510	40,107
Fuel top up payments	2,990	1,358
Debt relief orders (DROs)	-	360
	<u>1,097,692</u>	<u>1,090,916</u>

6. SUPPORT COSTS

	Management £	Information technology £	Human resources £	Governance costs £	Totals £
Charitable activities	<u>151,873</u>	<u>22,387</u>	<u>2,586</u>	<u>6,557</u>	<u>183,403</u>

Support costs, included in the above, are as follows:

Management

	2020 Charitable activities £	2019 Total activities £
Wages	28,787	19,041
Employer National Insurance		
Contributions	673	273
Pensions	1,093	936
Rates and water	3,943	4,425
Insurance	6,481	6,392
Light and heat	7,363	6,983
Advertising	7,305	8,750
Sundries	2,118	252
Rent	60,800	62,702
Repairs and renewals	5,778	3,222
Premises expenses	25,840	28,213
Office equipment	577	2,609
Bank interest	<u>1,115</u>	<u>514</u>
	<u>151,873</u>	<u>144,312</u>

COMMUNITY LAW SERVICE (NORTHAMPTON AND COUNTY)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020

6. **SUPPORT COSTS - continued**
Information technology

	2020 Charitable activities £	2019 Total activities £
Computing expenses	<u>22,387</u>	<u>23,675</u>

Human resources

	2020 Charitable activities £	2019 Total activities £
Payroll processing and recruitment	<u>2,586</u>	<u>5,310</u>

Governance costs

	2020 Charitable activities £	2019 Total activities £
Auditors' remuneration	3,465	3,365
Auditors' remuneration for non audit work	1,853	1,350
Professional fees	<u>1,239</u>	<u>1,575</u>
	<u>6,557</u>	<u>6,290</u>

7. **NET INCOME/(EXPENDITURE)**

Net income/(expenditure) is stated after charging/(crediting):

	2020 £	2019 £
Auditors' remuneration	3,465	3,365
Auditors' remuneration for non audit work	<u>1,853</u>	<u>1,350</u>

8. **TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 March 2020 nor for the year ended 31 March 2019.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2020 nor for the year ended 31 March 2019.

COMMUNITY LAW SERVICE (NORTHAMPTON AND COUNTY)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020

9. STAFF COSTS

	2020 £	2019 £
Wages and salaries	765,766	747,375
Social security costs	53,271	57,881
Other pension costs	<u>34,089</u>	<u>31,029</u>
	<u>853,126</u>	<u>836,285</u>

The average monthly number of employees during the year was as follows:

	2020	2019
Advisory and support	<u>38</u>	<u>38</u>

No employees received emoluments in excess of £60,000.

The key management personnel are the trustees and the Chief Executive. The salaries paid to key management personnel in the year amounted to £51,915.

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	3,076	-	3,076
Charitable activities			
Incoming resources from charitable activities	264,776	988,243	1,253,019
Other income	<u>17,001</u>	<u>-</u>	<u>17,001</u>
Total	284,853	988,243	1,273,096
EXPENDITURE ON			
Charitable activities			
Charitable activities	<u>514,403</u>	<u>756,100</u>	<u>1,270,503</u>
NET INCOME/(EXPENDITURE)	(229,550)	232,143	2,593
Transfers between funds	<u>196,020</u>	<u>(196,020)</u>	<u>-</u>
Net movement in funds	(33,530)	36,123	2,593
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>149,069</u>	<u>962</u>	<u>150,031</u>
TOTAL FUNDS CARRIED FORWARD	<u>115,539</u>	<u>37,085</u>	<u>152,624</u>

COMMUNITY LAW SERVICE (NORTHAMPTON AND COUNTY)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Work in progress	44,993	44,528
Other debtors	2,531	3,728
Prepayments and accrued income	<u>34,742</u>	<u>41,854</u>
	<u>82,266</u>	<u>90,110</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade creditors	5,103	8,771
Social security and other taxes	14,282	15,490
VAT	9,088	6,742
Other creditors	3,027	4,715
Pension account	288	5,133
Accruals and deferred income	<u>69,919</u>	<u>87,878</u>
	<u>101,707</u>	<u>128,729</u>

Included within accruals and deferred income is deferred income of £61,302 (2019: £76,869) that relates to contracted income invoiced in 2019/20 relating to work to be carried out during 2020/21.

13. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2020	2019
	£	£
Within one year	32,875	69,600
Between one and five years	<u>8,750</u>	<u>70,500</u>
	<u>41,625</u>	<u>140,100</u>

COMMUNITY LAW SERVICE (NORTHAMPTON AND COUNTY)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020

14. MOVEMENT IN FUNDS

	At 1/4/19 £	Net movement in funds £	Transfers between funds £	At 31/3/20 £
Unrestricted funds				
General fund	115,539	(271,061)	201,319	45,797
Northampton Borough Council	-	56,163	(56,163)	-
	115,539	(214,898)	145,156	45,797
Restricted funds				
East Midlands Money Advice Service - Money and Pensions Service (MaPS)	-	41,556	(41,556)	-
Financial Health and Wellbeing Service (BGET)	1,443	37,897	(39,340)	-
East Northamptonshire Service (ENC)	-	10,549	(10,549)	-
Children's Benefit Take Up Project (Children In Need)	2,990	4,138	(4,651)	2,477
Northampton Energy Savings Service (National Grid Warm Homes Fund)	5,865	44,118	(38,141)	11,842
Cozy Homes Project Green Star Energy	26,787	(17,778)	(9,009)	-
Good Things Foundation - HM Courts and Tribunal Service	-	1,925	(1,190)	735
Nationwide Building Society	-	49,940	-	49,940
Northamptonshire Community Foundation - St Giles Charitable Trust	-	720	(720)	-
	37,085	173,065	(145,156)	64,994
TOTAL FUNDS	152,624	(41,833)	-	110,791

COMMUNITY LAW SERVICE (NORTHAMPTON AND COUNTY)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020

14. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	233,480	(504,541)	(271,061)
Northampton Borough Council	<u>61,800</u>	<u>(5,637)</u>	<u>56,163</u>
	295,280	(510,178)	(214,898)
Restricted funds			
East Midlands Money Advice Service - Money and Pensions Service (MaPS)	250,354	(208,798)	41,556
Financial Health and Wellbeing Service (BGET)	182,737	(144,840)	37,897
East Northamptonshire Service (ENC)	49,999	(39,450)	10,549
Children's Benefit Take Up Project (Children In Need)	31,337	(27,199)	4,138
Northampton Energy Savings Service (National Grid Warm Homes Fund)	351,321	(307,203)	44,118
Cozy Homes Project Green Star Energy	21,369	(39,147)	(17,778)
Good Things Foundation - HM Courts and Tribunal Service	1,925	-	1,925
Nationwide Building Society	49,940	-	49,940
Northamptonshire Community Foundation - St Giles Charitable Trust	<u>5,000</u>	<u>(4,280)</u>	<u>720</u>
	<u>943,982</u>	<u>(770,917)</u>	<u>173,065</u>
TOTAL FUNDS	<u><u>1,239,262</u></u>	<u><u>(1,281,095)</u></u>	<u><u>(41,833)</u></u>

COMMUNITY LAW SERVICE (NORTHAMPTON AND COUNTY)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020

14. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/4/18 £	Net movement in funds £	Transfers between funds £	At 31/3/19 £
Unrestricted funds				
General fund	149,069	(275,328)	241,798	115,539
Northampton Borough Council	-	45,778	(45,778)	-
	149,069	(229,550)	196,020	115,539
Restricted funds				
East Midlands Money Advice Service - Money and Pensions Service (MaPS)	962	82,111	(83,073)	-
Financial Health and Wellbeing Service (BGET)	-	44,942	(43,499)	1,443
East Northamptonshire Service (ENC)	-	11,280	(11,280)	-
Children's Benefit Take Up Project (Children In Need)	-	7,329	(4,339)	2,990
Social Wellbeing Contract - Advice Service (NCC)	-	28,005	(28,005)	-
Northampton Energy Savings Service (National Grid Warm Homes Fund)	-	24,436	(18,571)	5,865
Cozy Homes Project Green Star Energy	-	34,040	(7,253)	26,787
	962	232,143	(196,020)	37,085
TOTAL FUNDS	<u>150,031</u>	<u>2,593</u>	<u>-</u>	<u>152,624</u>

COMMUNITY LAW SERVICE (NORTHAMPTON AND COUNTY)

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2020

14. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	234,852	(510,180)	(275,328)
Northampton Borough Council	<u>50,000</u>	<u>(4,222)</u>	<u>45,778</u>
	284,852	(514,402)	(229,550)
Restricted funds			
East Midlands Money Advice Service - Money and Pensions Service (MaPS)	267,002	(184,891)	82,111
Financial Health and Wellbeing Service (BGET)	175,314	(130,372)	44,942
East Northamptonshire Service (ENC)	49,999	(38,719)	11,280
Children's Benefit Take Up Project (Children In Need)	32,281	(24,952)	7,329
Social Wellbeing Contract - Advice Service (NCC)	65,771	(37,766)	28,005
Affordable Warmth Project (NCF)	1,250	(1,250)	-
Northampton Energy Savings Service (National Grid Warm Homes Fund)	306,022	(281,586)	24,436
Cozy Homes Project Green Star Energy	78,805	(44,765)	34,040
Northampton Borough Council	<u>11,800</u>	<u>(11,800)</u>	<u>-</u>
	<u>988,244</u>	<u>(756,101)</u>	<u>232,143</u>
TOTAL FUNDS	<u>1,273,096</u>	<u>(1,270,503)</u>	<u>2,593</u>

i) **Unrestricted funds** comprise those funds, which the Board of Trustees are free to use in accordance with the charitable objectives.

The trustees would like to acknowledge the following funders:

The Legal Aid Agency provided contracts to deliver Legal Aid services in the social welfare law area of Housing and Debt and also to provide a Housing Possession Court Duty Scheme at Northampton, Milton Keynes, Cambridge, Peterborough and Lincoln County Courts.

Northampton Borough Council provided a grant for core funding for our advice services in Northampton and for the license fee in respect of occupation of offices at the Guildhall One Stop Shop.

(ii) **Restricted funds** are funds, which have been given for particular purposes and projects. (N.B. The financial year of the life of a project does not necessarily correspond with the financial year of CLS)

East Midlands Money Advice Service is supported by lead agency Community Advice and Law Service in Leicester through funding for a regional Debt advice service from the Money and Pensions Service. This service provides face to face and telephone Debt advice to residents across the County and includes outreach at CAB offices in Corby, Kettering, Daventry and other community based venues.

14. MOVEMENT IN FUNDS - continued

The Financial Health and Wellbeing Service is funded by British Gas Energy Trust and is in partnership with GP surgeries, local hospitals and other health services aimed at providing an holistic approach to tackling fuel poverty. Targeted at people experiencing mental or physical health problems the Service which supports 4 full-time specialist advisors provides specialist Benefits, Debt, Housing, Energy efficiency advice and access to grants.

The East Northamptonshire Service is funded by East Northamptonshire Council and is aimed at preventing and reducing debt across East Northamptonshire through the provision of Debt advice, financial education and awareness and income maximisation.

The Social Wellbeing contract funded by Northamptonshire County Council provided specialist Housing advice Countywide and Welfare Benefits advice in Northampton borough the Borough of Wellingborough, East Northamptonshire and south Northamptonshire. The funding was cut by the County Council due to their internal funding issues from October 2018 along with the funding also provided to local Citizens Advice services. This ended over 35 years of support for the advice sector in Northamptonshire.

The Children's Benefit Take Up Project commenced in July 2016 and is funded through a three year grant from Children in Need. It provides a welfare rights service for disabled and ill children focussed on take-up of welfare benefits and grant income for the children and their families.

The Affordable Warmth Project was funded by a First For Wellbeing Grant provided by Northamptonshire Community Foundation. It provided holistic fuel poverty support for residents in Northamptonshire with a focus on welfare benefits, debt and energy efficiency advice. This Project is funded to May 2018.

Northamptonshire Energy Saving Service (NESS) is a new 3 year Project which commenced in June 2018 following a successful bid to National Grid Warm Homes Fund. CLS is the Lead Delivery Partner for the Project which is a partnership with Care and Repair Northamptonshire, South Northants Volunteer Bureau and Citizens Advice Corby and Kettering. Northamptonshire County Council who submitted the bid on behalf of the VCS partnership are the strategic lead partner for the Project.

Green Star Energy provided funding from October 2018 to deliver holistic fuel poverty services for residents in Northamptonshire and for work to support patients at Milton Keynes Hospital. The project also included spot purchase of home energy assessments and energy measures in the home from Care and Repair Northamptonshire. Although expected to be funded for two years Green Star only fully funded the Project until March 2019 and as such the work in Milton Keynes was unable to be established and the service was delivered only in Northamptonshire.

Good Things Foundation provided a grant from HM courts and Tribunal Service to deliver an Assisted Digital Support project which provides help for people who need to use online services but don't have the skills or access to do so on their own. As one of the online Centres supported by this funding CLS supports people with applications for social security and other appeals.

Northamptonshire Community foundation provided a grant from St Giles Charitable Trust fund to provide a Benefits Advice Service for low income households and included a monthly outreach session at the Hope Centre in Northampton.

Nationwide Building Society provided a grant for the delivery of a new Housing Support Service. This is a two year funded project commencing in April 2020 which aims to support people with issues affecting people which put them at risk of housing repossession and eviction.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020

14. MOVEMENT IN FUNDS - continued

Transfers between funds

Fund transfers from restricted to unrestricted funds are to cover management and overhead costs as per grant agreements.

15. EMPLOYEE BENEFIT OBLIGATIONS

The company participates in the scheme, a multi-employer scheme which provides benefits to some 1,300 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore, the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2019 to 30 September 2025:	£11,243,000 per annum (payable monthly and increasing by 3% each on 1st April)
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Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation scheme was carried out at 30 September 2014. This valuation showed assets of £793.4m, liabilities of £969.9m and a deficit of £176.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2016 to 30 September 2025: £12,945,440 per annum (payable monthly and increasing by 3% each on 1 April)

From 1 April 2016 to 30 September 2028: £54,560 per annum (payable monthly and increasing by 3% each on 1 April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognizes a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020

15. EMPLOYEE BENEFIT OBLIGATIONS - continued

PRESENT VALUES OF PROVISION

	31 March 2020	31 March 2019	31 March 2018
	£	£	£
Present value of provision	9,112	11,054	12,914

This has not been included as a provision in the balance sheet as it is immaterial to the charity.

RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	Period ending 31 March 2020	Period ending 31 March 2019
	£	£
Provision at start of period	11,054	12,914
Unwinding of the discount factor (interest expense)	139	207
Deficit contribution paid	(1,834)	(1,664)
Remeasurements - impact of any change in assumptions	(247)	101
Remeasurements - amendments to the contribution schedule	-	(504)
Provision at end of period	9,112	11,054

INCOME AND EXPENDITURE IMPACT

	Period ending 31 March 2020	Period ending 31 March 2019
	£	£
Interest expense	139	207
Remeasurements - impact of any change in assumptions	(247)	101
Remeasurements - amendments to the contribution schedule	-	(504)
Contributions paid in respect of future service	*	*
Costs recognised in income and expenditure account	*	*

*includes defined contribution schemes and future service contributions (i.e. excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes. To be completed by the company.

ASSUMPTIONS

	31 March 2020	31 March 2019	31 March 2018
	% per annum	% per annum	% per annum
Rate of discount	2.53	1.39	1.71

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The following table details the deficit contributions agreed between the company and the scheme at each year end period:

DEFICIT CONTRIBUTIONS SCHEDULE

	31 March 2020	31 March 2019	31 March 2018
	£	£	£
Year 1	1,889	1,834	1,664
Year 2	1,946	1,889	1,714
Year 3	2,005	1,946	1,766
Year 4	2,065	2,005	1,818
Year 5	1,772	2,065	1,873
Year 6	-	1,772	1,929
Year 7	-	-	1,987
Year 8	-	-	1,023

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020

16. FUNDS RECEIVED AS AGENT

During the year funds of £17,600 (2019: £13,037) were received by the charity acting as an agent. These funds were received on behalf of others and paid out in full within the year, directly to the beneficiaries. No balance was held or due out at the year end.

17. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2020 nor the year ended 31 March 2019.

18. ULTIMATE CONTROLLING PARTY

The Charity has been under the control of its Management Committee throughout the year. Details of the Management Committee are shown within the report of the trustees.

19. ACKNOWLEDGEMENTS (PAYMENTS IN KIND)

- (a) The Hope Centre, Northampton
- (b) Northampton, Cambridge, Peterborough, Milton Keynes and Lincoln County Courts provided a consulting room for the Housing Possession Court Duty Scheme
- (c) Bellinge Community Centre, Northampton
- (d) Maple Access Practice, Northampton
- (e) Campbell House, Northampton
- (f) Greenview Surgery, Northampton
- (g) Leicester Terrace Healthcare Centre, Northampton
- (h) Emmanuel Church Foodbank, Weston Favell, Northampton
- (i) Abbey Medical Centre, Wellingborough
- (j) Community Mental Healthcare Teams in Thrapston and Wellingborough
- (k) Irthlingborough, Raunds, Thrapston and Oundle Libraries
- (l) All Saints and St James Church, Kingscliffe, Northampton