

**EQUALITY AND EMPLOYMENT LAW  
CENTRE LTD.**

**(formerly Merseyside Employment Law)**

**Trustees' Annual Report and  
Financial Statements  
for the year ended  
29<sup>th</sup> March 2020**

**Company Number: 04946069**

**Charity Number: 1101876**

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

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**EQUALITY AND EMPLOYMENT LAW CENTRE LTD.  
TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 29<sup>TH</sup> MARCH 2020**

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The Trustees are pleased to present their annual report for the year ended 29<sup>th</sup> March 2020 along with the financial statements.

The financial statements comply with the Charities Act 2011, Companies Act 2006, Accounting and Reporting by Charities; Statement of Recommended Practice (SORP 2015) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1<sup>st</sup> January 2015).

**FOREWORD**

Our organisation provides specialist vital legal services to Liverpool City Region residents and businesses in the form of affordable or free employment equality or HR advice. We specialise in the complex areas of equality and employment law. We have a long and proud history of providing legal advice and representation to those who would otherwise be denied access to justice. Our service extends to residents in England and Wales under our Legal Aid Discrimination Contracts. We are the only social enterprise providing this niche service on the North West Coast and most likely England and Wales.

After a period of ongoing turnaround and disruption in the previous year we started the financial 19/20 year with optimism, a clear sense of our purpose, and a robust plan of what we needed to achieve this year. Financial sustainability along with the skills and expertise to deliver a quality and specialist service in a complex area of law was central to this plan. In our continued efforts to improve our operational efficiency and organisational effectiveness we have invested in developing our processes and systems. We successfully obtained the SQM quality standard in 2018, designed to help ensure that Legal Services Providers are well run and provide excellent client care. We also won two prestigious Legal Aid contracts on more sustainable rates and became part of the prestigious Law Centre movement. We were confident that we had turned a corner and we were looking forward to developing the organisation, all of which had been achievable through the dedication, skills and commitment of the team.

When Covid19 struck in March 2019 we were well placed to continue to operate our services remotely as we had a robust Business Continuity Plan (BCP) in place. With the assistance and expertise of Parallel ITC, our external specialist providers, we implemented our BCP effectively and expeditiously. The Legal team worked remotely supported by a skeleton team based in our city centre offices. Our services to the public were not disrupted and we continued to operate fully. Demand for employment advice quadrupled and we have had to continually adapt our working practices to keep up with demand. Government guidelines are continually adapting and changing, and it is inevitable that demand for employment and discrimination will increase as the COVID19 crisis progresses.

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We immediately implemented a clear communication strategy using Microsoft Teams to hold daily virtual meetings and to ensure the team were able to mitigate the impact of the pandemic. We also developed working practices to ensure safe working environments both at home and in the workplace.

It is evident from our work that both employees and employers have been thrown into a climate of fear, uncertainty and crisis requiring expert advice to navigate their way through the legal minefield of equality and employment law. HR ramifications for individuals, managers and organisations are far reaching and employers play an important role in ensuring the issues their employees are protected from discriminatory or unfair practices in relation to furlough, sick pay, or redundancy.

This is especially important, as we know the Covid19 pandemic is having an impact on people with certain protected characteristics. Employers face the risk of discrimination claims with hefty penalties if they fall foul of the Equality Act 2010.

To mitigate the uncertainty within our own working environment we have invested heavily in training and internal communications to support our team who are equally impacted by Covid 19. We have embarked on Psychologically Informed Environment training and Trauma Informed Training having received vital funding from the Be More training fund through Liverpool Combined Authority.

Our remote telephone service is now in more demand than ever. We are receiving enquiries from concerned employees and service users about how they are being treated for example in relation to reasonable adjustments, PPE, flexible working hours, shielding. We are also receiving calls from employers who continue to try and run a sustainable business mode while trying to cope with furloughing, capability issues, absence, reasonable adjustments, redundancies etc.

We have also identified that there are some groups of people who will feel the effects more than others and therefore those who are most disadvantaged in society need our support now more than ever. Similarly, charitable organisations, many of whom do not have the HR support, are at risk of unfair dismissal and discrimination claims are really struggling to manage the complicated employment issues whilst at the same time delivery their vital services.

Our service is accessible and available despite the current crisis and we now have even more scope to develop and grow our services with financial support and we know that early legal intervention can mitigate unnecessary costs for government, employers, and service providers.

Employment matters are no longer funded by Legal Aid. Our employment clients are mainly people in low-paid jobs in sectors in which trade unions are not recognised.

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Many are in work in poverty, could not otherwise afford access to justice, and are at risk of disadvantage and discrimination. Our discrimination clients are wide ranging, and we handle cases in all areas of discrimination, often supporting the poorest people in society.

We have seen an immediate increase in our free employment advice service and a significant decrease in our chargeable working resulting in a sudden and unexpected drop in much needed income. Our focus has changed, and we are now more than ever reliant on grants to replace the lost income from our chargeable work.

As part of our plan for growth we aim to develop the range of services we offer and substantially increase our scale of HR and Employment advice to both individuals and businesses over the next twelve months. We anticipate that there will be huge demand for expertise employment and discrimination legal advice. Simultaneously we will fully utilise any schemes which will enable us to defer payments for as long as possible.

Fundraising through public and private grants are now critical to our business growth plans, while we do not want to increase our borrowing until we have a better understanding of the marketplace and demand for our fee-paying service.

We are so proud of our staff who have adapted and responded quickly to this unprecedented global pandemic with resilience, commitment, and a passion to support our clients. Similarly strong leadership has enabled us to come through a difficult period and in a year when we have had to make tough decisions once again.

We continue to rise to the daily challenge of supporting our clients by providing them with excellent customer service, expert legal advice and a commitment to ensure that equality and justice will prevail.

## **OBJECTIVES**

Equality and Employment Law Centre Limited's (EAELC) mission is to actively tackle and relieve poverty, injustice, and discrimination by the provision of specialist employment law advice and specialist discrimination legal advice and advocacy to individuals and organisations. Furthermore, to advance the knowledge and understanding of employment law and discrimination law among Merseyside residents, businesses and employees through training in employment and discrimination law to third sector organisations to improve the efficiency and effectiveness of the organisation and so that they comply with their responsibilities under the Equality Act 2010 and Employment Acts.

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Evidence shows there is much to be done to educate employers on how to apply best practice creating engaged and productive workplaces and ultimately promoting a fairer and more equal society.

Our free employment and discrimination help line enables individuals who are facing workplace disputes or discrimination in wider areas of society to get specialist legal advice. We also hold the Civil Legal Aid discrimination telephone advice contract and a 'face to face' discrimination contract which operates 9am to 5pm Monday to Friday and covers England and Wales. So, we are able to also advise clients that they are eligible for Legal Aid. Many clients have no awareness that they are eligible for Legal Aid as it is not widely promoted.

Any income received from chargeable Legal Services is reinvested back into the organisation to provide free legal advice to some of the most disadvantaged people in our communities.

The principal objectives of the charity as laid out in our governing document are:

**Charitable Objects**

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 and
- 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

**Main objectives for the year were:**

1. Launch our new brand and website and actively marketing our services
2. Promote our fee-paying HR and Legal Services to become more commercial and self-sustainable
3. Become one of the one hundred best charitable organisations to work in the UK creating a supportive happy workplace

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4. Continue investing in our people and to build a workplace with a positive health and well-being culture and climate
5. Increase our income and build our reserves achieving a small surplus
6. Continue our programme of learning and development
7. Expand our volunteer programme in conjunction with the Universities
8. Become the legal advisor and HR provider of choice to SME's charitable and third sector employers – promoting our "Buy Social" message
9. Apply to become a Law Centre
10. Expand our services by securing more Legal Aid contracts by applying for tenders in discrimination
11. Raise the profile of EAELC throughout the Liverpool city region and charitable third sector as a leading expert in the field of HR, Employment Law, Discrimination and Training through partnerships, effective communications, events, joining appropriate membership organisations and campaigns
12. Investigate a new case management system which enables us to operate more productively

**ACHIEVEMENTS, IMPACT AND PERFORMANCE**

The Law Centre continues to face a number of significant challenges whilst providing vital legal services to some of the most disadvantaged people in society. We are champions of social justice and our team are working tirelessly in very demanding circumstances. It is well known that Legal Aid is underinvested due to profound cuts to legal aid which has had a significant impact on legal aid practitioners who are working in a highly challenging and underfunded sector. It is also widely known that the legal aid sector needs urgent and sustained funding and reforms to access to justice is maintained for all of society. The Law Society has stated "Access to justice for all is a cornerstone of the rule of law and our values – the stakes have rarely been higher."

Our income has come predominately generated through the provision of Legal Services and Legal Aid contracts with secondary income contingency fee agreements and other legal work. Funding from grants and trusts and the Local Authority has been very limited. In 2019/2020 less than £20k was received from grant funding. Despite the ongoing challenges we have continued to be future focused and our achievement against our objectives are reported as follows:

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1. Increase our income and build our reserves achieving a small surplus.  
Partly Achieved- We increased our income by 45% however due to the low rates of legal aid we have still not yet achieved a small surplus. The increased Legal Aid rate has made a significant difference to our income however the new rate implemented in August 2019 does not apply to the remainder work. Until the remainder case work is closed, we continue to work on an unsustainable legal aid rate.

2. Launch our new brand and website and actively market our services  
Partly achieved – we are very proud of our new brand and our new website which reflects our change in status to a Law Centre. Our website and new brand were developed by a small independent and highly talented Co Create Agency who is locally based. A soft launch of the new brand and website happened in early 2020 which was to be followed by a full Spring 2020 launch. However, the Covid19 crisis prevented us from holding the launch for which we had obtained "in kind sponsorship"

3. Become one of the one hundred best charitable organisations to work in the UK creating a supportive happy workplace

Partly: We have continued to invest in our people and to build a workplace with a positive health and well-being culture and climate

We have introduced a 4-day working week and have achieved all the objectives set following our employee engagement programme.

4. Continue our programme of learning and development programme

Achieved: In order to grow our own in-house legal talent pool of expert Employment and Discrimination we have a bespoke Legal in house learning and development programme. We have developed strong links with the Combined Authority Skills Brokerage team and the University of Law to enable our staff to access the advanced solicitors' apprenticeships. We have also awarded two in house training contracts to existing team members. Measures are also in place to enable junior legal advisors to commence the solicitor's apprenticeship in September 2020. Three of our graduate legal advisors will be starting the new graduate solicitor trial programme which was due to start in August 2020 but due to Covid 19 this has been postponed until January 2021.



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5. Expand our volunteer programme in conjunction with the Universities  
Achieved: We have developed strong links with Liverpool John Moore's University and The University of Law and have developed a volunteer programme for LPC students and 3<sup>rd</sup> year law students to gain valuable experience in Employment and Equality Law. This programme will start in September 2020 offering student vital work experience.

6. Promote our fee-paying HR and Legal Services to become more commercial and self-sustainable so that we can reinvest any surplus into providing our free advice to some of the most disadvantaged people in our communities

Partly achieved. Due to a number of operational factors which was exacerbated by Covid19 we were unable to actively promote this although our range of services is promoted on our new website. This remains a key objective and we want to encourage employers to exercise their buying powers to buy social and be corporately responsible.

7. Apply to become a Law Centre (LCN)  
Achieved. We are very proud to have had our membership approved in November 2019 after attending the very productive and beneficial Law Centre Network Annual Conference in Bristol. Being part of this dynamic wealth of knowledge skills and expertise will enable us to continue to develop and grow, share best practice, and enhance our knowledge.

8. Expand our services by securing more Legal Aid contracts by applying for tenders in discrimination.

Achieved: We applied for 2 Legal Aid tenders in July 2020: national remote discrimination and the face to face discrimination and we were successful in obtaining them both. The Legal Aid tendering process is highly complex, demanding and time consuming which makes this achievement even more impressive.

9. Raise the profile of EAELC throughout the Liverpool City Region and the third sector as a leading expert in the field of HR, Employment Law, Discrimination and Training through partnerships, effective communications, events, joining appropriate membership organisations and campaigns

Achieved: After a turbulent couple of years our focus shifted to become more externally focused and active in appropriate networks. We joined The Liverpool Law Society and we were invited to present at the Justice Committee after which we became members. We also joined Advice UK and Social Enterprise UK and as part of our Law Centre membership we become

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automatic members of The Legal Aid Practitioners Group. We also became part of Liverpool University research project to map the advice services in Liverpool. We share excellent relationships with the two other local Law centres and keep in regular touch sharing best practice and sector news.

10. Investigate a new case management system which enables us to operate more productively

Achieved: After researching the marketplace for the best and most cost-effective case management systems we tested and reviewed 3 shortlisted systems. Raising the funds to procure the short-listed system will be a key priority for next year.

**Our Social Impact objectives are:**

1. To provide a free remote employment law and discrimination law advice line 5 days per week to employees or individuals who have no access to trade union representation or other support or representation.

Achieved: Our telephone advice line operates daily providing a triage service which is followed by Advice from an employment/ discrimination solicitor or HR specialist depending on the nature of the enquiry. 60% of callers are still employed and facing an employment dispute without out support. Calls are referred either by word of mouth, ACAS, CAB or through our network as we are well established in the Liverpool City Region.

2. To provide free/HR legal advice to a minimum of 500 people a year

Achieved. 850 people were given employment advice and 12% of the clients were eligible for Legal Advice and referred to the Civil Legal Advice by our team enabling them to get Legal Aid.

3. To cultivate relationships with Third Sector organisations in the North-West region to become the supplier of choice for employment law, discrimination law and HR.

Not achieved: This was due to a number of factors including resources and marketing. Labour turnover was high and sadly we lost 4 solicitors during this financial year who all returned to the private sector. The main reasons for this was due to the bureaucracy and complexity of the low paid legal aid contract. This will be a key priority next year once we have recruited new solicitors

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4. To deliver training and development for a minimum of 30 Third Sector organisations in the North West by end FY/20, growing year on year by 10%

Not achieved: This was due to resources however we did do a HR workshop with a senior management team.

5. To signpost clients to legal aid and other agencies to gain support and funding to enable them to pursue their claim with professional advice.

Achieved: 102 clients were referred to Civil Legal Advice. A new case management system will enable us to capture this data more effectively and this is a key objective for next year.

6. To secure funding to commission a robust Social Impact Analysis and Report

Not achieved. This continues to be a key objective and we will look for specific funding to enable us to report more effectively on the impact of our service.

7. To support clients – who are not funded through legal aid

Achieved: Over 900 clients who were not entitled to Legal Aid or representation were supported. This included conducting preliminary hearings for Legal Aid clients as representation is not permitted under controlled work. When this is the time clients most need legal support.

8. We will use our purchasing power wisely buying social whenever we can. thus, supporting other organisations who are making a positive difference in society.

Achieved: This is an ongoing key objective and we review our supply chain annually. Where we can we buy locally and socially supporting the Liverpool City Regional economy. 70% of our supply chain is locally sourced. We rent our premises from a social landlord and we buy accountancy services from a third sector organisation.

#### **In Summary**

2019 /2020 has been overall a very successful year however cash flow is an ongoing challenge along with recruitment and retention of experienced employment and discrimination solicitors. This combined with the Covid19 crisis means that our services are in high demand and will continue to grow as lockdown eases or potentially increases.

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Critically, we are at risk of closure and insolvency if we do not generate sufficient income from legal services or fundraising. Specialist skills in employment and discrimination are scarce which is why we are investing heavily in growing our own in-house talent of Legal Aid lawyers of the future. This is a complex and interesting area of law and with support we have the potential to become leading experts and an incubator for emerging new lawyers in social justice.

Over 6500 discrimination advice calls have been taken during the past financial year with a 95% call pick up rate enabling callers to speak to a member of staff immediately. 1691 cases have been opened. These cases managed have covered all aspects of the Equality Act 2010 and Employment law

We have run cases in all of the protected characteristics: It is against the law to discriminate against someone because of:

- age
- disability
- gender reassignment
- marriage and civil partnership
- pregnancy and maternity
- race
- religion or belief
- sex
- sexual orientation

We have also handled cases of:

- Whistleblowing
- Unfair dismissal
- Redundancy
- TUPE
- Breach of contract

Positive Outcomes have varied from

- Reinstatement in employment
- Grievances upheld
- Financial settlements,
- Reasonable adjustments being implemented
- Disciplinary action revoked.
- Over £520,000 in financial compensation awarded clients.
- Other party action prevented
- Grievances upheld
- Work related references

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- Re-instatement in employment
- Explanation or apology obtained for client
- Early Intervention preventing stressful and protracted legal action

Added to these positive outcomes we have achieved for our clients

- Justice
- Peace of mind
- Closure
- Hope and optimism
- Improved health and well-being
- Restored confidence and self esteem

There is no legal aid funding for employment law advice. As a result, there is a high demand for free employment advice, and demand continues to outweigh the staffing resources we have. It has been very difficult to obtain funding for this work.

Going forward we will look at collating data in a meaningful way that will attract funding particularly for this area of our work. Many of our clients are in work and in poverty and cannot afford legal services from elsewhere. People in work and in poverty are often over-looked and unable to get legal support and we have struggled to get funding to support this area of our work. We are seeing more clients who have paid commercial solicitors to review their documents to be told that their case has poor prospects, or they want more money to continue to review their papers. This causes additional stress and anxiety to low paid clients who find themselves in this situation due to the lack of free employment advice.

The free employment advice help line provides human resources (HR) or employment law advice to employees who have no other access to representation or support. We also provide face to face appointments and representation. The advice line continues to be very busy with people calling who are still employed and in dispute with their employer or who have been dismissed. More and more of the cases we are handling are from people in work and in poverty. The majority of enquiries have come from employees in low paid jobs employed or dismissed from organisations that do not have Trade Unions, employee assistance programmes or HR departments. Clients are referred to us by the Citizens Advice and the wider advice sector as well as ACAS. There are no other services in our region that provide the scope and scale of employment advice by a team of employment solicitors and caseworkers.

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In this period, we provided vital legal advice and support to over 25 charitable organisations that have no HR support. We receive a very limited grant from Liverpool City Council of £10,147. In real commercial term legal services from a high street Lawyer would cost these organisations a significant amount of money which they do not have. The areas that we have supported these organisations have been in the following areas:

- Handling redundancy
- Managing absenteeism
- Performance management
- Contracts of employment
- Volunteer management
- Recruitment
- Policies and procedures

The benefits of this service have been immeasurable, particularly in supporting managers when handling complex and stressful people management situations. We have provided actionable advice, guidance enabling managers to be well prepared and more confident to address sensitive issues. Additionally we have supported managers to improve their internal practices and policies, clear and unambiguous employment contract. Our intervention has:

- Prevented claims against the employers
- Resolved disputes
- Improved skills and confidence for managers
- Prevented reputational damage
- Improved the working climate and morale
- Reduced absenteeism

It has become evident that many of the managers had not received any formal training in these important areas. In the future we will be developing training workshops for managers of third sector organisations to build their capacity and capability in people management and equality law.

Our team are passionate social justice lawyers and administrators who work tirelessly in a fast paced, complex, and challenging area of law. A lot has been achieved with support of a team effort from Trustees, staff, volunteers, suppliers, and key stakeholders. We have an ambitious mind-set combined with resilience which we hope will enable us to keep our doors open to support some of our most vulnerable communities whilst at the same time actively promote our services through digital channels to generate support, raise awareness and raise income.

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**FINANCIAL REVIEW**

Total Income in the year was £324,174 (2019: £211,477) of which £29,308 (2019: £48,597), related to funding for projects upon which restrictions are placed.

Total expenditure in the year was £297,533 (2019: £304,278) leaving a surplus for the year of £26,641 (2019: deficit £92,801)

At 29<sup>th</sup> March 2020 the charitable company's reserves stood at a deficit balance of £32,656 (2019: deficit £59,297) of which £nil (2019: £nil) represented restricted funds.

**Risk Management**

The Office Manual sets out all of our policies and procedures in relation to risk management and business continuity. Trustees' have a risk management strategy, which comprises:

- An annual review of the risks the charity may face
- A risk register
- The establishment of systems and procedures to mitigate those risks identified in the plan.
- The implementation of procedures designed to minimise the potential impact of the charity should those risks materialise.
- A Business Continuity Plan
- The risk policy and register are reviewed annually by the Trustees.

**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 three months running costs should no further funding be received. We have undergone undoubtedly one of the most critical and challenging periods in the history of the organisation. Funding has been depleted, legal aid rates are low and not in line with inflation which has increased significantly. Reserves have been depleted and it is a key organisational priority to re-build the reserves and generate more income through a variety of sources:

- Increased fee-paying private work for individuals
- HR and Legal Services to SME's and third sector organisations
- Funding grants specifically for community impact and access to justice
- Legal Aid contracts

As at the end of the financial year, the unrestricted funds the charitable company requires estimated £3,110 for redundancy provision and £90,000 for three months' running costs. External funding is being accessed to develop income generator opportunities to increase the level of free reserves and build up our reserves.

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We are also working closely accountants LCVS to manage and report our finances effectively and this strong working relationship will continue in 2020 and beyond.

**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 of the Memorandum and Articles of Association dated 15<sup>th</sup> October 2003.

The Board of Trustees meet quarterly to monitor the charities activities and performance, to determine strategy and attend to all other matters of governance.

Currently there are 3 Board members and there are plans to recruit 3 new Board members with expertise in:

- Business Management and HR
- Sales, Contract Management and Employability
- Marketing
- Charity Sector and social enterprise

Trustee vacancies are advertised, and new Trustees are appointed by existing Trustees. All vacancies, including those for new Trustees are advertised on our website

In 2018 an audit of the systems and processes was carried by an independent advisor in order to obtain our Specialist Quality Mark. The SQM was successfully obtained in November 2018 and is valid for 3 years

A review of The Business Plan and Governance by an independent adviser is currently underway commissioned by the Board of 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.



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**PLANS FOR FUTURE**

In 2020/ 2021 we will continue to build on our successes and focus on key areas of development which include:

- Develop a robust fundraising strategy and plan to plug the shortfall in earned income
- Recruit, develop and retain employment/discrimination solicitors
- Set and achieve a budget which enables us to continue to stay open
- Secure funding to procure a new case management system
- Attract new Board members with appropriate skill set
- Support our team to do the advanced legal apprenticeships to become qualified solicitors
- Support two trainee solicitors through to qualification
- Retain the Legal Aid discrimination contracts
- Secure funding to continue our learning and development programme
- Become a Psychologically Informed Environment through specialist training
- Continue to work with the Universities both with volunteering projects and research projects
- Build and maintain effective partnerships with like-minded organisations that share our values
- Be active members of the Law Centre network
- Continue our employee engagement programme
- Actively market our services through digital channels and networking

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**REFERENCE AND ADMINISTRATIVE DETAILS**

**NAME:** Equality and Employment Law Centre Ltd.

**COMPANY NUMBER** 04946069

**CHARITY NUMBER** 1101876

**REGISTERED OFFICE** 151 Dale Street,  
Liverpool,  
England,  
L2 2AH

**TRUSTEES:** J Ehlen  
J Finnegan (appointed 10<sup>th</sup> December 2020)  
S Henney (resigned on 30<sup>th</sup> April 2020)  
J Keegan  
J Mannouch (appointed 10<sup>th</sup> December 2020)  
L Thomas (appointed 15<sup>th</sup> June 2020)

**INDEPENDENT EXAMINER** Graham Wright BA (Hons) FCA DChA  
LCVS,  
151 Dale Street,  
Liverpool,  
L2 2AH,

**BANKERS:** Co-Operative Bank PLC  
P O Box 250  
Skelmersdale  
WN8 6WT

**ON BEHALF OF THE BOARD:**

.....  
J Ehlen  
Trustee

Date : 22 December 2020

## **MERSEYSIDE EMPLOYMENT LAW LIMITED**

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

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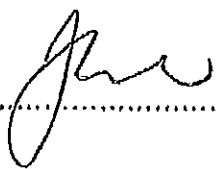
Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the 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 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.

This report has been prepared in accordance with the Charities Act 2011, Companies Act 2006, Accounting and Reporting by Charities; Statement of Recommended Practice (Sorp 2015) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1<sup>st</sup> January 2015).

**ON BEHALF OF THE BOARD:**

.....  
  
J Ehlen  
Trustee

151 Dale Street,  
Liverpool,  
England,  
L2 2AH

Date : 22 Dec 2020

## **INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF EQUALITY AND EMPLOYMENT LAW CENTRE LTD.**

### Respective responsibilities of trustees and examiner

I report on the accounts of the charitable company for the year ended 29<sup>th</sup> March 2020, which are set out on pages 20 to 30.

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the 2011 Act, and
- to state whether particular matters have come to my attention.

### Basis of independent examiner's statement

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

### Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in, any material respect, the requirements:
  - to keep accounting records in accordance with section 386 of the Companies Act 2006; and
  - to prepare accounts which accord with the accounting records and comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting Charities

have not been met; or

- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Name: **Mr. Graham Wright**  
Relevant professional qualification or body: **FCA DChA**  
Address: **c/o LCVS, 151 Dale Street, Liverpool, L2 2AH**  
Dated: **23 December 2020**

**EQUALITY AND EMPLOYMENT LAW CENTRE LTD.**  
**STATEMENT OF FINANCIAL ACTIVITIES (including Income & Expenditure)**  
**FOR THE YEAR ENDED 29<sup>TH</sup> MARCH 2020**

	Notes	Unrestricted Funds 2020	Restricted Funds 2020	Total 2020	Total 2019
<b>Income and endowments from:</b>		£	£	£	£
Charitable activities	3	294,866	29,308	324,174	211,477
<b>Total Income</b>		<b>294,866</b>	<b>29,308</b>	<b>324,174</b>	<b>211,477</b>
<b>Expenditure on:</b>					
Charitable activities	4	268,225	29,308	297,533	304,278
<b>Total expenditure</b>		<b>268,225</b>	<b>29,308</b>	<b>297,533</b>	<b>304,278</b>
<b>Net Income/(expenditure), net movement in funds</b>		<b>26,641</b>	<b>-</b>	<b>26,641</b>	<b>(92,801)</b>
<b>Total funds brought forward</b>	<b>11,12</b>	<b>(59,297)</b>	<b>-</b>	<b>(59,297)</b>	<b>33,504</b>
<b>Total funds carried forward</b>	<b>10,12</b>	<b>(32,656)</b>	<b>-</b>	<b>(32,656)</b>	<b>(59,297)</b>

The notes on pages 22 to 30 form part of these accounts.

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

**EQUALITY AND EMPLOYMENT LAW CENTRE LTD.**  
**BALANCE SHEET AS AT 29<sup>TH</sup> MARCH 2020**

Company No 04946069

	Notes	29 <sup>th</sup> March 2020	29 <sup>th</sup> March 2019
		£	£
<b>Fixed assets</b>			
Tangible fixed assets	5	1,957	3,863
<b>Current assets</b>			
Work in progress	6	113,392	91,641
Debtors	7	5,000	5,200
Cash at bank and in hand		23,639	1,897
		<u>142,031</u>	<u>98,738</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	8	(102,043)	(88,800)
<b>Net current assets</b>		<u>39,988</u>	<u>8,938</u>
<b>Total assets less current liabilities</b>		<u>41,945</u>	<u>12,801</u>
Creditors: amounts falling due after more than one year	9	(74,601)	(72,098)
<b>Net (liabilities)/assets</b>		<u>(32,656)</u>	<u>(59,297)</u>
<b>Funds:</b>			
Unrestricted Funds	10, 11	(32,656)	(59,297)
Restricted funds	10, 12	-	-
		<u>(32,656)</u>	<u>(59,297)</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 by the Board on 22nd December 2020

  
J Keegan - Director (Chair)

**EQUALITY AND EMPLOYMENT LAW CENTRE LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29<sup>TH</sup> MARCH 2020**

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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 Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (SORP 2015) (effective 1<sup>st</sup> January 2015), Charities Act 2011 and the Companies Act 2006.

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 £.

The charitable company has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

**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.

Income from charitable activities is recognised on an accruals 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 FOR THE YEAR ENDED 29<sup>TH</sup> MARCH 2020**

All expenditure is accounted for on an accruals 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 relate 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
------------------	-----------------------------------

#### **Work in progress**

Work in progress is included in these accounts to reflect 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 FOR THE YEAR ENDED 29TH MARCH 2020**

**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 derecognised 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:**

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total 2020 £	Total 2019 £
<b>Charitable activities</b>				
First Ark Social Investment	-	-	-	36,000
Liverpool City Council - Community Resource Grant	-	9,115	9,115	10,147
Liverpool City Council – Ways to Work ILM Scheme	-	20,193	20,193	20,193
Liverpool City Region Local Enterprise Partnership	-	-	-	2,450
Private sales income	53,207	-	53,207	22,984
Service level agreement income	241,659	-	241,659	139,896
	<b>294,866</b>	<b>29,308</b>	<b>324,174</b>	<b>211,477</b>
	=====	=====	=====	=====

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

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29<sup>TH</sup> MARCH 2020**

### **4. Expenditure on charitable activities:**

	Direct Charitable Expenditure £	Support & Governance Costs £	Total 2020 £	Total 2019 £
Provision of advice and advocacy in the area of employment law for the Merseyside Community	190,132	107,401	297,533	304,278
	=====	=====	=====	=====

#### **a. Analysed as follows:**

	2020 £	2019 £
<i>Direct charitable expenditure:</i>		
Staff salary costs	171,149	133,195
Pension	2,725	1,210
Volunteer expenses	-	60
Legal and consultancy fees	16,106	36,637
Medical records	152	292
	=====	=====
	<b>190,132</b>	<b>171,394</b>
	=====	=====

**EQUALITY AND EMPLOYMENT LAW CENTRE LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29TH MARCH 2020**

	2020	2019
	£	£
<i>Support &amp; Governance costs:</i>		
Staff salary costs	42,253	41,101
Pension	1,136	736
Running costs	24,933	13,330
Office costs	12,104	13,644
Travel expenses	150	53
Insurance	7,892	4,281
Training	764	148
Publications and memberships	-	35
Recruitment	600	10,257
HMRC Interest and charges	1,411	564
Board expenses	-	19
Refreshments	256	211
Computer costs	3,320	5,997
Staff welfare	589	109
Marketing	462	6,243
Bank charges	521	71
Loan interest	7,366	7,229
Bad Debts written off	-	24,651
Payroll Fees	739	1,132
Accountancy	1,000	1,000
Depreciation	1,905	2,073
	<b>107,401</b>	<b>132,884</b>
<b>Total expenditure on charitable activities</b>	<b>297,533</b>	<b>304,278</b>

£29,308 (2019: £51,607) of the above expenditure relates to restricted funding.

**b. Staff Costs**

	2020	2019
	£	£
Gross wages and salaries	201,250	166,939
Social security costs	12,152	7,357
Pension	3,861	1,946
	<b>217,263</b>	<b>176,242</b>

**EQUALITY AND EMPLOYMENT LAW CENTRE LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29<sup>TH</sup> MARCH 2020**

**c. Particulars of employees:**

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

	2020	2019
Charitable Activities	13.3	10.5
	=====	=====

No employee received emoluments of more than £60,000 during the year.

The Trustees are not remunerated for their services and are not included in the above number of employees.

**5. Tangible Fixed Assets**

	Office Equipment	Total
<b>Cost</b>	£	£
Balance as at 30 <sup>th</sup> March 2019	32,922	32,922
Additions during the year	-	-
	-----	-----
Balance at 29 <sup>th</sup> March 2020	32,922	32,922
	-----	-----
<b>Accumulated Depreciation</b>		
Balance as at 30 <sup>th</sup> March 2019	29,060	29,060
Charge for the year	1,905	1,905
	-----	-----
Balance at 29 <sup>th</sup> March 2020	30,965	30,965
	-----	-----
<b>Net Book Value at 29<sup>th</sup> March 2020</b>	<b>1,957</b>	<b>1,957</b>
	=====	=====
<b>Net Book Value at 29<sup>th</sup> March 2019</b>	<b>3,863</b>	<b>3,863</b>
	=====	=====

**6. Work in progress**

	2020	2019
	£	£
Work in Progress	113,392	91,641
	=====	=====

**7. Debtors:**

	2020	2019
	£	£
Debtors	5,000	5,000
Other debtors	-	200
	-----	-----
	<b>5,000</b>	<b>5,200</b>
	=====	=====

**EQUALITY AND EMPLOYMENT LAW CENTRE LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29<sup>TH</sup> MARCH 2020**

**8. Creditors: amounts falling due within one year**

	2020	2019
	£	£
Bank overdraft	-	4,226
Accruals	43,707	34,382
Social security	12,080	15,658
Other creditors	36,858	23,632
Loan due in one year (Note 9)	9,398	11,902
	<u>102,043</u>	<u>89,800</u>
	=====	=====

**9. Creditors: amounts falling due after more than one year**

The following loan is included within creditors:

	2020	2019
	£	£
Due between one to two years	20,089	21,909
Due between two to five years	54,513	50,189
	<u>74,602</u>	<u>72,098</u>
	=====	=====

The sum of £84,000 was advanced by First Ark Social Investment on an unsecured basis, repayable over five-year 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 29<sup>th</sup> March 2020 the total balance of £84,000 therefore remained outstanding.

**10. Analysis of Net Assets between Funds**

	Tangible fixed assets	Net current assets	Creditors: due after more than one year	Total
	£	£	£	£
Unrestricted Funds				
General Fund	1,957	39,988	(74,601)	(32,656)
Restricted Funds:	-	-	-	-
	<u>1,957</u>	<u>39,988</u>	<u>(74,601)</u>	<u>(32,656)</u>
	=====	=====	=====	=====

**EQUALITY AND EMPLOYMENT LAW CENTRE LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29<sup>TH</sup> MARCH 2020**

**11. Unrestricted Funds**

		<u>Movements in the Year</u>		
	Funds at beginning of year £	Income £	Expenditure £	Funds at end of year £
General Fund	(59,297)	294,866	(268,225)	(32,656)
	=====	=====	=====	=====

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

**12. Restricted Funds**

		<u>Movements in the Year</u>		
	Funds at beginning of year £	Income £	Expenditure £	Funds at end of year £
Liverpool City Council – Ways to Work ILM Scheme	-	29,308	(29,308)	-
	=====	=====	=====	=====

These are monies given to the company to be spent at the discretion of the Board of Trustees for specific charitable purposes.

**Big Lottery Fund Grant** – Contribution towards commissioning of a website.

**First Ark Social Investment** – Contribution towards salary costs

**Liverpool City Council Community Resource Grant** – Funding to provide specialist advice casework.

	2020 £	2019 £
Salaries	3,293	3,646
Telephone and Interest	4,822	5,368
Payroll	-	133
Accountancy	1,000	1,000
	=====	=====
	9,115	10,147
	=====	=====

**Liverpool City Council – Ways to Work ILM Scheme** – contribution towards salary placement costs.

**Liverpool City Region Local Enterprise Partnership** – Contribution towards marketing

**EQUALITY AND EMPLOYMENT LAW CENTRE LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29<sup>TH</sup> MARCH 2020**

**13. 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 are lease commitments for a photocopier.

	2020	2019
	£	£
Premises	1,097	1,097
Photocopier	5,348	7,419
	<u>6,445</u>	<u>8,516</u>
	=====	=====

**14. Contingent Liabilities**

There were no contingent liabilities as at 29<sup>th</sup> March 2020 (2019: nil).

**15. Related Parties**

Julie Ehlen, a Director was paid £7,500 (2019: £25,000) during the year for consultancy services.

**16. Guarantees**

As at 29<sup>th</sup> March 2020, 3 members had given a guarantee of £5 each in the event of the company winding-up, total: £15 (2019: 4 members £20).

**EQUALITY AND EMPLOYMENT LAW CENTRE LTD.  
DETAILED STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 29<sup>TH</sup> MARCH 2020**

	2020	2019
	£	£
<b>INCOME</b>		
Grant Income	29,308	48,597
Private sales income	53,207	22,984
Service level agreement income	241,659	139,896
<b>Total income</b>	<b>324,174</b>	<b>211,477</b>
<b>EXPENDITURE</b>		
<b>Charitable activities</b>		
Staff salary costs	213,402	174,296
Pension	3,861	1,946
Rent	24,308	14,752
Rates and water	625	3,300
Heat and light	-	(5,369)
Travel expenses	150	53
Printing, postage and stationery	5,376	7,810
Telephone and internet	6,143	5,834
Legal and consultancy fees	16,106	36,637
Training	764	148
Insurance	7,892	4,281
Medical records	152	292
Publications and memberships	-	35
Recruitment	600	10,257
Board expenses	-	19
Refreshments	256	211
Cleaning costs	585	647
Computer costs	3,320	5,997
Staff welfare	589	109
Marketing	462	6,243
Volunteer expenses	-	60
HMRC interest and charges	1,411	564
Loan interest	7,366	7,229
Bank charges	521	71
Bad debts written off	-	24,651
Payroll fees	739	1,132
Accountancy	1,000	1,000
Depreciation	1,905	2,073
<b>Total expenditure on charitable activities</b>	<b>297,533</b>	<b>304,278</b>
<b>Net income/(expenditure) for the year</b>	<b>26,641</b>	<b>(92,801)</b>

(This page does not form part of the statutory financial statements)