

Company number: 4149673

Charity number: 1087312

# Central England Law Centre Limited

Amended report and financial statements

For the year ended 31 March 2021

# Central England Law Centre Limited

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### For the year ended 31 March 2021

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# Central England Law Centre Limited

## Reference and administrative information

For the year ended 31 March 2021

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**Company number** 4149673  
**Country of incorporation** United Kingdom

**Charity number** 1087312  
**Country of registration** England & Wales

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

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

Professor H Bahra (Chair) (Resigned 26 October 2021)  
J Jeffrey  
C Christie (Resigned 24 November 2020)  
K Wilding (Chair from 30 November 2021)  
G Moffatt  
Councillor D Welsh  
Professor J McHale  
C West (Resigned 30 March 2021)  
C King  
R Kodakandala (Appointed 23 February 2021)  
R Alomo (Appointed 23 February 2021)

**Key management Personnel**  
S Bent (Chief Executive)  
E Hill (Head of Operations and Legal Practice)  
L Hart (Director of Finance and IT)  
C Stern (Head of Impact and Service Development)

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

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

# Central England Law Centre Limited

## Trustees' annual report

### For the year ended 31 March 2021

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The trustees (also known as directors) present their report and the audited financial statements for the year ended 31 March 2021.

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

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

## Directors and trustees

The directors of the Central England Law Centre Ltd are its trustees for the purpose of charity law. The trustees and officers serving during the year and since the year end were as follows:

Professor H Bahra (Chair) (Resigned 26 October 2021)  
J Jeffrey  
C Christie (Resigned 24 November 2020)  
K Wilding (Chair from 30 November 2021)  
G Moffatt  
Councillor D Welsh  
Professor J McHale  
C West (Resigned 30 March 2021)  
C King  
R Kodakandala (Appointed 23 February 2021)  
R Alomo (Appointed 23 February 2021)

## Objectives and activities

### Purposes and aims

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

## Central England Law Centre Limited

### Trustees' annual report

#### For the year ended 31 March 2021

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

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

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

These are summarised in our statement of purpose:

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

We do this by:

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

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

The key issues underpinning the strategic aims for 2018–2021 were:

- The impact of the Government's austerity programme has resulted in reductions in public services, along with a continuation of major programmes of welfare reform and changes to social housing provision. This has put pressure on housing, health and care services, thereby increasing demand for our services.
- A growth in structural poverty – both in work and out – that is putting more pressure on those we seek to help.
- An increasingly harsh climate for migrants is seeing a tightening of immigration rules, making things very difficult for some of our clients. A growth in the numbers of people with no recourse to public funds.
- More people working in insecure employment and on zero hours' contracts being open to exploitation.
- Recognition that reduced Legal Aid and public sector funding for some of our work is unlikely to be reversed and so we must continue to find new ways to fund what we do. Stability for our existing services as well as the opportunity to develop and evolve our work to meet identified needs depends on our success in securing funding.

We need to continue to seek savings in overheads by sharing services where appropriate, and by extending our use of IT to ensure that we maximise efficiency and improve data analysis to inform our performance management.

The COVID 19 pandemic coincided with the start of this year. Rather than drawing up a new strategic plan we asked staff to prepare a new operational plan which included the service delivery and strategic challenges COVID created and our response. This was reviewed on a quarterly basis and risks and challenges were identified and assessed each time. This enabled us to ensure that our service delivery was responsive to the vulnerable people we support who are experiencing extreme hardship and distress.

Accordingly, the charity has **seven strategic aims for 2018–2021**:

- Consolidating and strengthening our existing advice and representation services, and evolving and expanding these to meet the changing needs of our local communities;
- Taking opportunities that arise from our regional presence, and sharing skills and knowledge across our two offices;
- Strengthening the financial position of the organisation;
- Developing new services to meet identified gaps in provision;

## Central England Law Centre Limited

### Trustees' annual report

#### For the year ended 31 March 2021

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- Seeking new ways to fund our services and finding new opportunities to use our expertise, with particular emphasis on prevention, early intervention and building legal capability;
- Maintaining a network of partnerships and relationships with other organisations that help us to reach those we seek to help and whose services complement ours and amplify our impact;
- Maintaining and developing our profile and reputation locally and nationally.

The main activities that we have undertaken in pursuit of these aims during 2020/21 are described below.

### Achievements and performance

All our charitable activities focus on strengthening and expanding our capacity to raise rights awareness, to provide legal advice and representation, to influence policy makers, to improve our ability to reach the most vulnerable individuals and communities and are undertaken to further our charitable purposes for the public benefit.

#### Service delivery

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

#### Coventry

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

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

We primarily advise residents of Coventry and those who work in the city with some reach into Warwickshire. The areas of law covered under Legal Aid contracts are Housing, Community Care, Family, Asylum, Discrimination and Public Law.

We benefit hugely from funding from Coventry City Council and an expanding range of other forms of funding to provide services.

Other funding we have received has supported a programme of work that focuses on particularly vulnerable groups of people.

- We received funding from Coventry Building Society which supports our housing team in its homelessness prevention work and enables us to provide intensive support to people with mental health challenges.

## Central England Law Centre Limited

### Trustees' annual report

#### For the year ended 31 March 2021

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- Funding from the Early Action Neighbourhood Fund (a collaboration of funders who have awarded us 5 years funding to catalyse a shift to early action within the public sector) is enabling us to run a project called Ignite. We have 4 staff and our partner in this work, Grapevine, has 3. They are all working inside public services to influence and shape the way these services are delivered for the future.
- Virgin Health provide funding for us to advise people at The Anchor Centre, a medical centre for those who are homeless or insecurely housed.
- The Legal Education Foundation continued to support us with funding to extend our work on a project called RIPPLE, pioneering an approach to improving knowledge of the rights of individuals by working with them in groups.
- The Smallwood Trust refunded us work in partnership with 4 women's organisations in Coventry to improve economic outcomes for women by providing joined up front line support. We employ an immigration adviser to focus on the legal needs of victims of domestic violence and a generalist caseworker to support women with a range of legal needs to access legal advice from across the Law Centre.
- In partnership with the Law Centres' Network, we have received funding to assist people with complex cases in securing EU settled status.
- We are subcontracted by Voluntary Action Coventry to run an Independent Complaints Advocacy Service (ICAS) providing a casework service to support clients in progressing formal complaints regarding health services, including those provided by dentists, GPs, NHS hospitals or care in a private hospital if it was paid for by the NHS, as well as complaints about NHS Continuing Healthcare. Where appropriate, the service also supports clients to complain to the Parliamentary and Health Service Ombudsman.
- Our partnerships with Coventry University and the University of Warwick, who provide funding for supervision of their students to run advice clinics alongside our staff, continues. This year 90 students have assisted in increasing our capacity in employment and immigration advice in Coventry, as well as representing clients in disability benefit appeals and supporting our public law work.

### Birmingham

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

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

The Oak Foundation and Therium Access provide core funding for our work in Birmingham, providing a secure base for our other project funded and legal aid contract services.



## Central England Law Centre Limited

### Trustees' annual report

#### For the year ended 31 March 2021

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Our partnership with Birmingham City University, who provide funding for supervision of their students to run advice clinics alongside our staff, continues. This year 60 students have assisted in increasing our capacity in employment, immigration advice, housing advice, as well as representing clients in disability benefit appeals.

- In partnership with Birmingham City Council and two other local migrant charities we benefited from new funding under the Asylum Migration Integration Fund. The focus of this work is to improve referral pathways for support, particularly legal advice, for migrants in the city.
- We also benefitted from continued funding in partnership with Red Cross to provide holistic end-to-end support to refugees (and their families) applying for family reunion.
- Partnerships with local frontline organisations SIFA Fireside, Hodge Hill Hub and ASIRT have enabled us to provide benefits, immigration and community care advice to their most vulnerable clients.
- With support from Law Centres Network and the Public Law Project we are able to provide support to Birmingham CRISIS Skylight support workers to address their clients benefits and immigration issues and identify systemic issues preventing their move on from homelessness.

#### Regional projects

- Increasingly we are delivering services across both our offices. This year we were supported by the Access to Justice Foundation's Litigants in Person funding stream to enable us to run an employment rights helpline for Coventry and Birmingham residents.
- We continued to receive Urban Action Innovation Funding under MiFriendly Cities, a new Midlands wide partnership project led by Coventry City Council involving 11 partners including three city councils. As a delivery partner our contribution includes raising awareness of undocumented children's rights, as well as building legal capability and stability amongst refugees and migrants being supported by MiFriendly Cities partners.

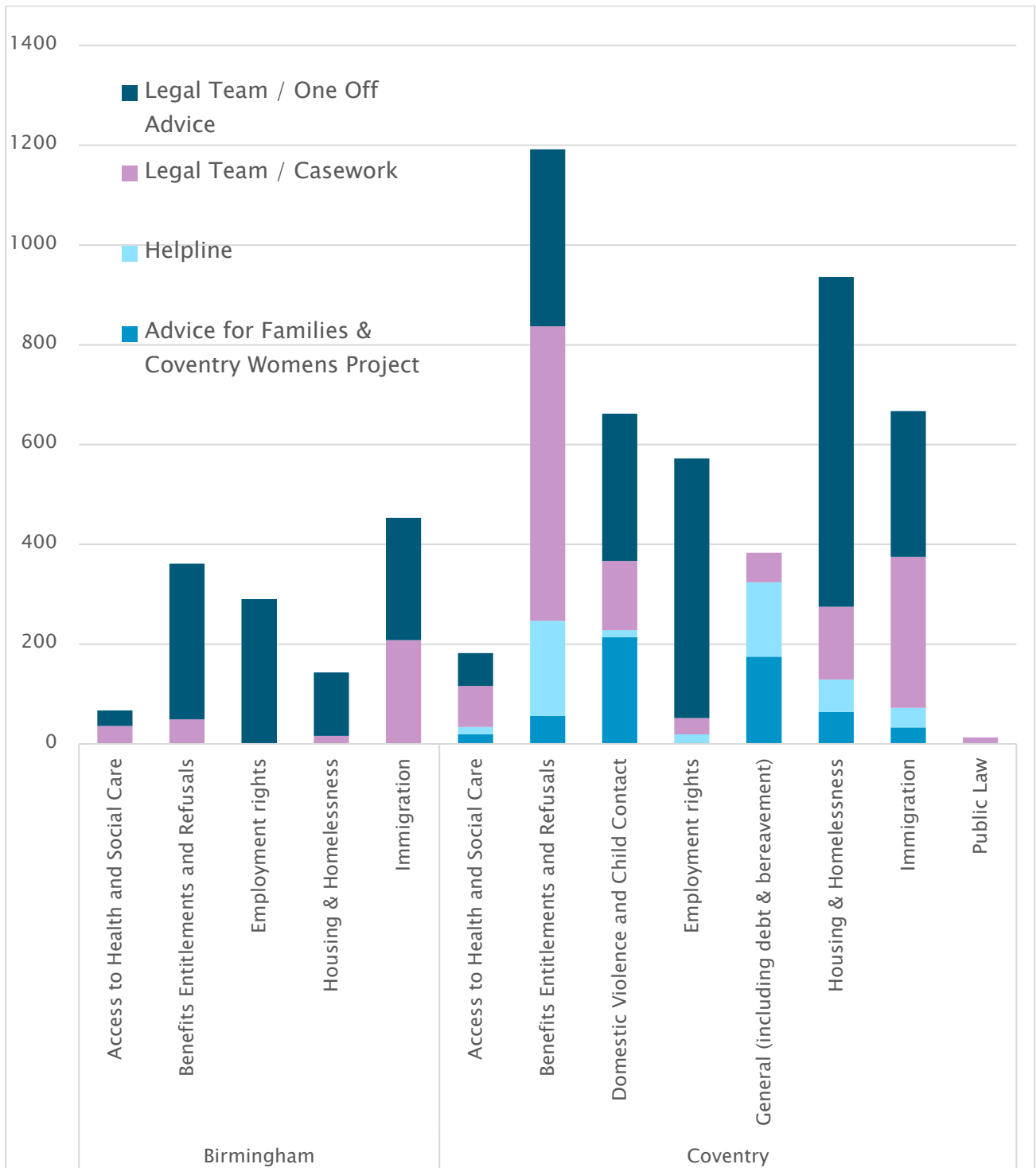
#### National reach projects

- We are leading a consortium funded by Paul Hamlyn Foundation, Unbound Philanthropy, Barrow Cadbury, Esmée Fairbairn Foundation, Oak Foundation, Trust for London, AB Charitable Trust and Microsoft, which has established a pro bono service for children to receive immigration advice. It is called Kids in Need of Defense UK. It has so far helped around 1,000 children with citizenship or leave to remain applications.
- We have been working in partnership with a new charity, Access Your Right to Social Care, and providing strategic and operational support in their first year.

#### COVID-19 support from funders

Our existing funders and some new funders were flexible and supportive in their response to COVID-19. We benefitted from funding from The Baring Foundation, Community Justice Fund, Comic Relief, Paul Hamlyn Foundation and the Esmée Fairbairn Foundation to set up a COVID-19 helpline for vulnerable people and organisations supporting them. It also funded a significant increase in our public legal education on the rapidly changing rules and regulation brought in by the government in response to the pandemic.

During 2020/21 we assisted over 6,200 people across our two offices with new law related issues. In Coventry we supplied new casework services to 1,365 clients and provided an advice-only service to a further 3,242 service-users. In Birmingham we supplied casework services to 1,005 clients and provided other services to 684 service-users.

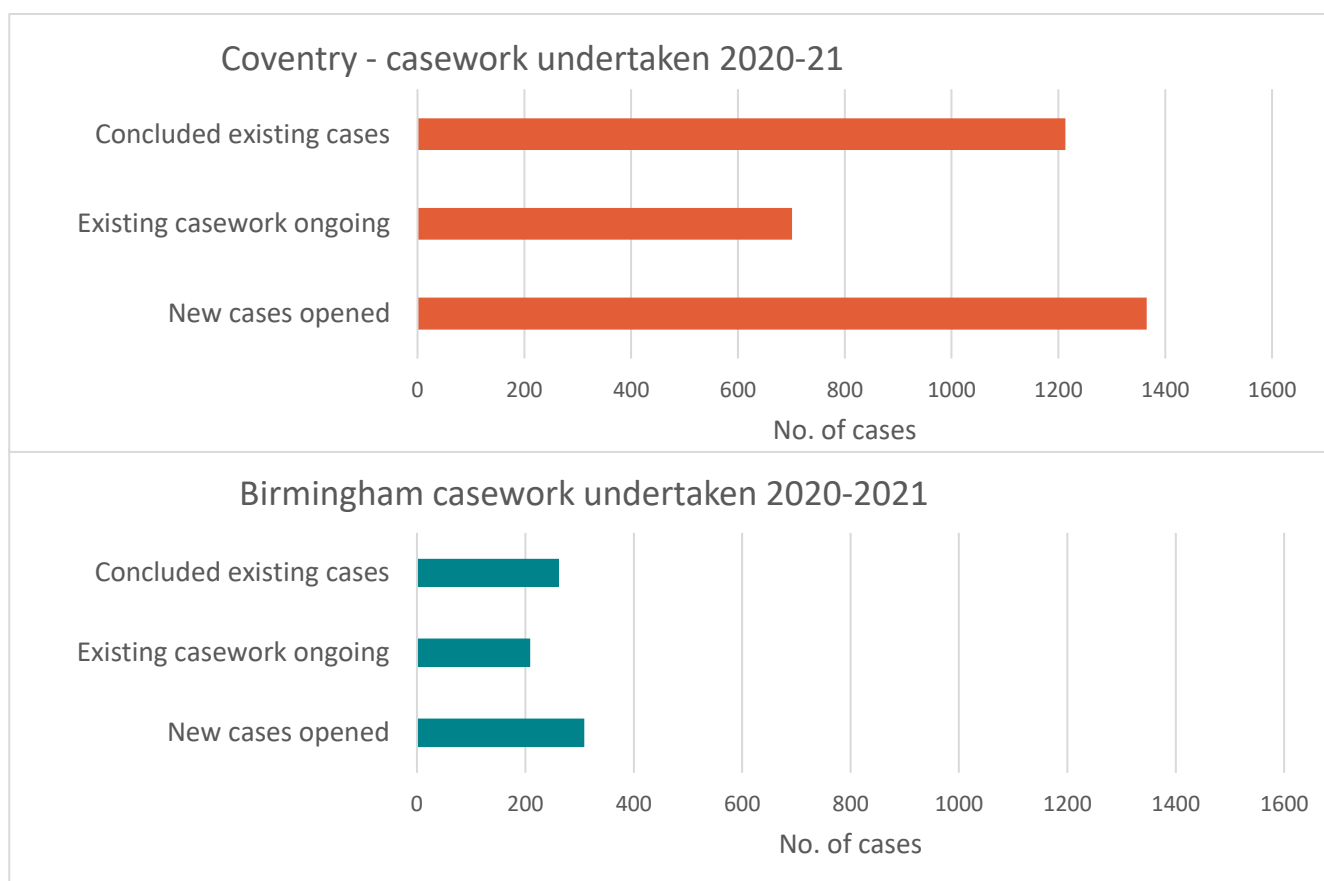


In total we worked on 4,059 legal cases for clients in this year. Many legal cases take a considerable amount of time to resolve, the spread of this casework across new and existing cases is shown below. Overall open caseloads continue to rise year-on-year, reflecting overall capacity growth among CELC legal services teams. The majority of casework (86%) is concluded within two years of opening the case, but some matters may take multiple years to fully resolve. Half of cases will be concluded in around 8 months, 25% of cases will take more than a year.

### Key outcomes for clients achieved in 2020–21:

We provided access to justice in over 6,200 cases by providing legal advice and representation about their social justice legal issue.

- We represented 700 people at social security tribunals to challenge refusals of welfare benefits awards. We were successful in 87% of cases. This resulted in an increase in the income of our clients by over £5 million, over a 12-month period.
- 1,200 people were given advice about their housing rights.
- 216 vulnerable migrants had their immigration status resolved and prevented from living in destitution.
- 496 EU migrants were supported to apply for the EUSS settlement scheme.
- Our representation prevented 253 people from being unlawfully evicted from their home.
- 800 people received specialist employment advice including about furlough, unpaid wages, unfair dismissal.



Trustees' annual report

For the year ended 31 March 2021

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- We advised 100 victims of domestic violence on their rights to help them make an informed choice about their options.
- We advocated for 88 people with health and social care needs to receive the services and support they were entitled to.
- This year we hosted a senior producer for the Caring Team of Coventry City of Culture and worked together on two social justice projects – Zoom Bird and Reform the Norm. Our CEO represented the “Social Justice” energy in the launch event of the City of Culture.

More information about the impact of our work is available at [www.centralenglandlc.org.uk/our-impact](http://www.centralenglandlc.org.uk/our-impact)

### Our operational response to COVID

In common with many organisations, Covid-19 forced us to redesign our operating model. Our staff have worked remotely throughout the pandemic and we've continued to provide individual casework for clients by telephone, e mail, text, WhatsApp and, where possible, video calling. Our legal advisors have continued to represent clients remotely in Court proceedings.

At the beginning of the pandemic, we saw a considerable slow-down in some of our usual legal casework accounted for by several significant changes in referral patterns. For example, there was an 80% reduction in referrals from Citizens Advice, notably for representation at welfare benefits appeals. The duty scheme for housing at the Combined Court was paused until December 2020.

In other areas, we have opened legal casework at the same or increased levels across family law (focussed on domestic violence), employment, housing and health and social care.

As the year has progressed, we have seen all levels of demand for legal casework return to pre pandemic levels and significant increase in the areas of domestic violence, immigration, housing, and employment rights.

In response to the emerging needs, we opened an employment rights helpline, a COVID-19 helpline and employed new staff to support people in financial crisis impacting on their ability to pay their rent and therefore at risk of eviction.

This has resulted in us helping around 1,000 more people with 1:1 legal advice than in any previous year. Alongside this we significantly increased our support for other frontline organisations (including statutory agencies) – including the grassroots community organisations that were delivering food and still having some face-to-face contact with those people who were already marginalised before the pandemic, as well as those newly finding themselves struggling to cope because of the impact of the pandemic.

We produced weekly updates that were circulated to over 1000 frontline staff in Coventry, so they had ready access to real-time information on Covid-related social welfare law changes. Our COVID-19 helpline has responded to over 500 calls in this period: 70% of calls to the helpline were from partners or clients referred by them. We set up a virtual twice weekly clinic as part of our RIPPLE

project. Led by our community care solicitor, this is for staff in organisations supporting people with health and social care needs to raise issues and seek advice on the application of The Coronavirus Act 2020. We produced leaflets that were distributed in food parcels to people shielding and to food bank users.

In Birmingham, through our key role in the destitution steering group and migrant support networks we were able to ensure that people housed under the 'Everyone In' initiative were contacted and offered specialist legal advice to address any immigration and access to welfare issues. Working closely in partnership with the Refugee and Migrant Centre, ASIRT and managers and frontline support workers at the Council, we have brought to the fore the role that rights play in providing sustainable routes out of homelessness and poverty. Over 158 of the most vulnerable people in Birmingham were offered tailored rights support resulting to date in 57 people securing immigration status enabling them to access mainstream benefits and the right to work and move on from homelessness.

In Coventry, our membership of the 'community tactical cell' element of the local authority emergency planning structure opened an opportunity for us to make proposals for coordinated action across agencies as we come out of the pandemic. To this end, we have put together the 'Coventry Standard' – a way of working that builds trust and confidence from the earliest interaction with clients/service users and increases the likelihood of being able to understand and tackle the root causes of problems.

## **Development of staff**

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

## **Volunteers**

Volunteers provide invaluable support to our work across both our offices. We had over 150 volunteers supporting work in all of the teams during the year. All of our volunteers this year have been from Universities in the region. Our long-standing volunteers who support the office function have been unable to support us this year due to COVID restrictions in place.

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

## Beneficiaries of our services

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

Coventry's population estimate for 2019 (last available published information) was 371,500 residents. [Facts about Coventry | Coventry City Council](#) provides the following insights into the needs of the residents of Coventry:

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

Birmingham's resident population is estimated at 1,140,500 according to the 2020 mid-year population estimates. An estimated 238,313 Birmingham residents were born overseas, of these, 44% (103,682) have been resident in the UK for less than 10 years. 2.4% of the population do not speak English well or at all. This is more than twice the regional and national averages.

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

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

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

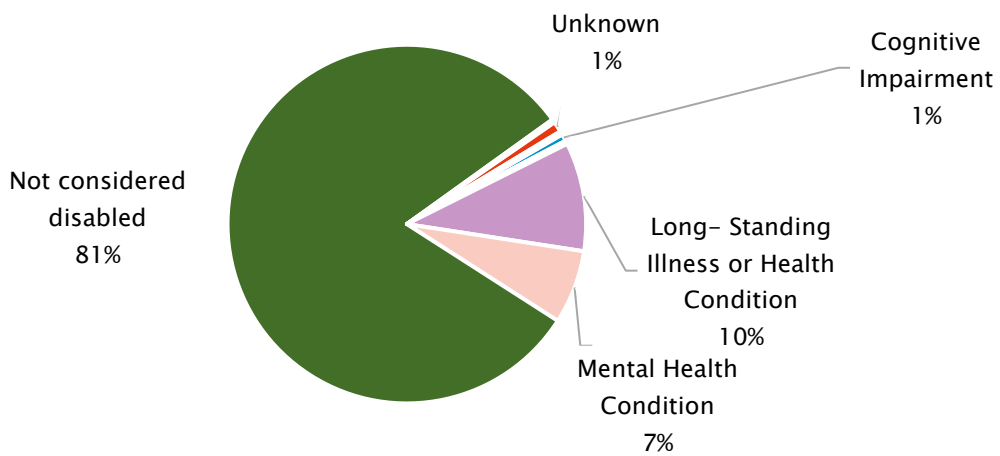
The client group that we seek to assist is being affected by both the impact of major Government reform in social welfare services and by the impact of the significant cuts in public sector spending. They have also been significantly impacted by COVID 19 and will be vulnerable to the impact of an economic recession. Looking forward, we anticipate increasing demand for our services.

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

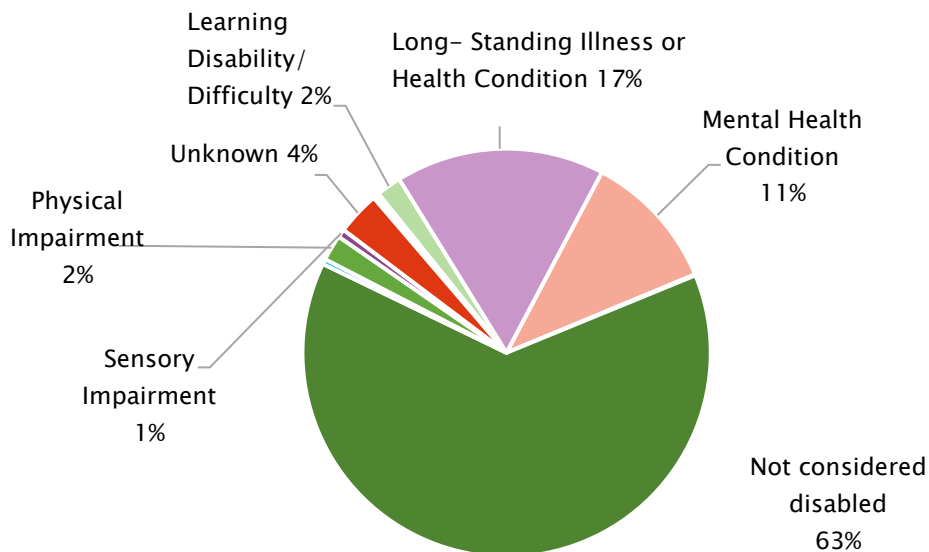
The characteristics of the people we have helped during 2020/2021 are as follows:

**Disability:**

**19% (60) of Birmingham clients declared a disability or serious/long term illness.** Of the 60 clients in Birmingham who declared they had a disability; the following pie chart shows the proportion of clients in each category of disability.



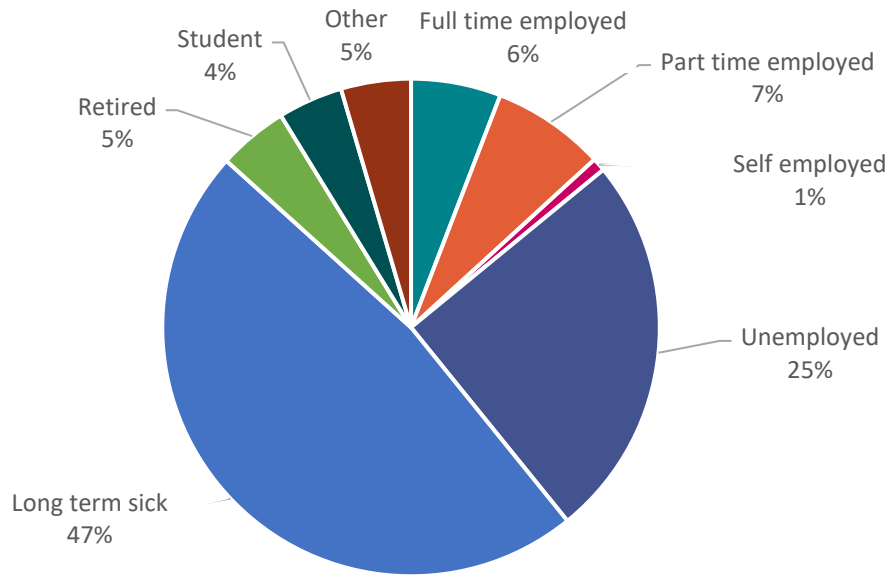
**37% (447) of Coventry clients declared a disability or serious/long term illness.** Of the 447 clients in Coventry who declared they had a disability, the following pie chart shows the proportion of clients in each category of disability.





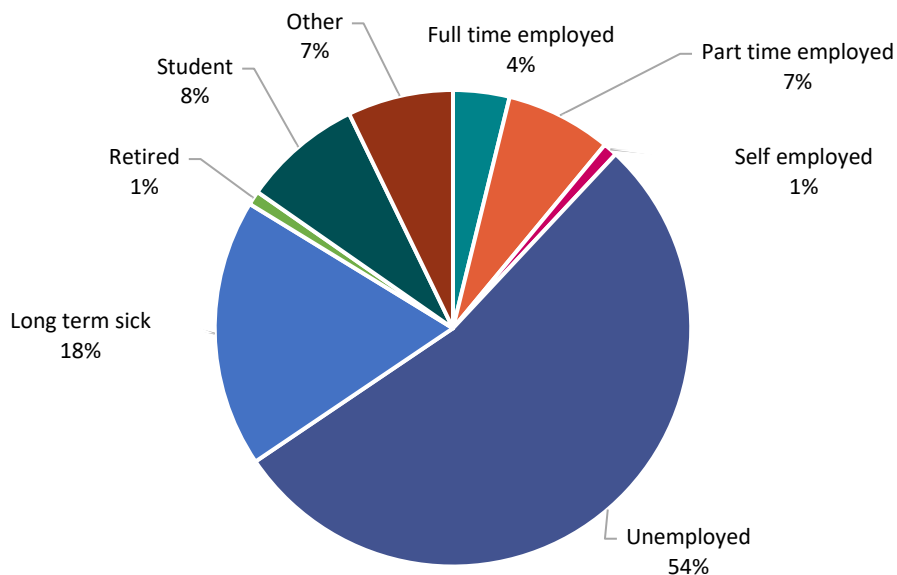
**Employment status:** Though the age groups most likely to be economically active form the largest proportion of our client base, the majority (72%) of our clients were not working at all (either unemployed or on long term sick leave) and only a small number were in full time employment. The age–employment profile of Birmingham clients skews marginally younger than in Coventry, but

**Coventry clients 2020-21**



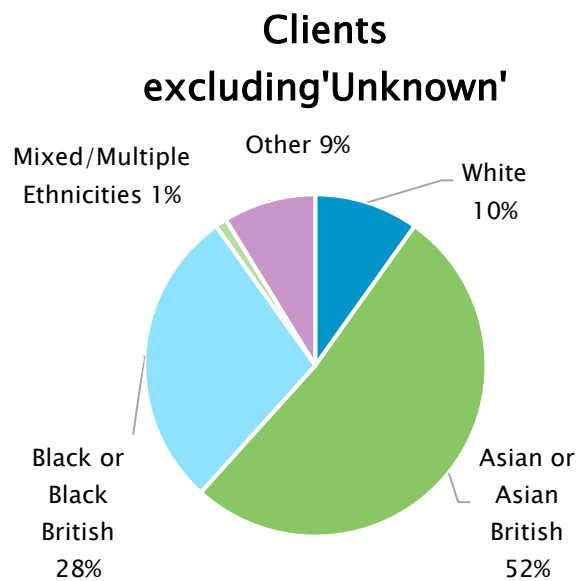
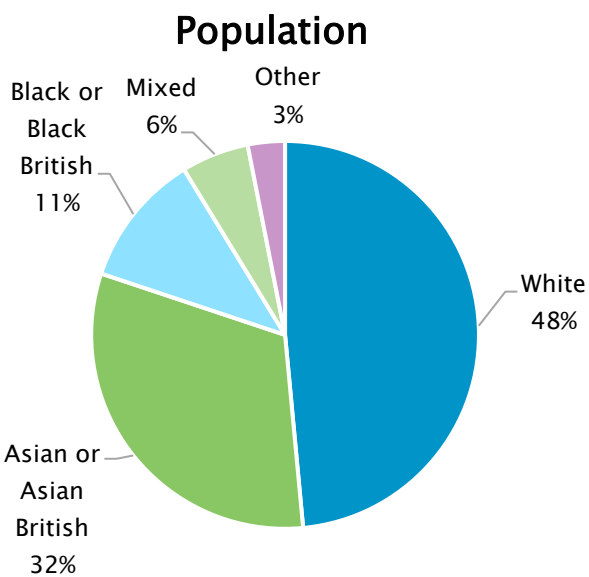
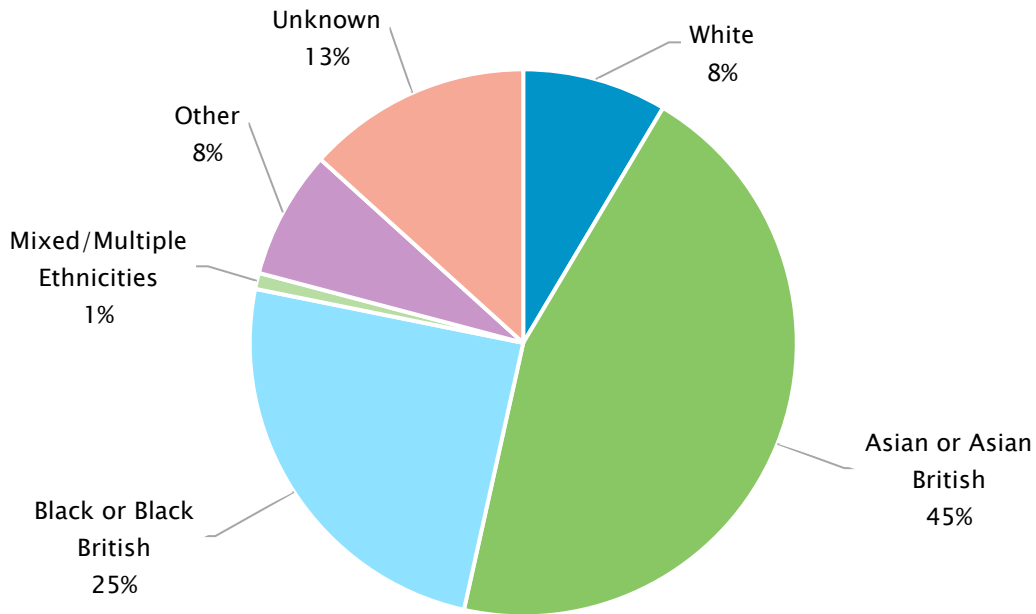
is even more strongly biased (54%) towards the working–age unemployed. This reflects our service offering in Birmingham being more limited, with the Welfare Benefits and Health and Social Care teams in Coventry contributing significantly to the number of long–term sick and older clients we provide services to.

**Birmingham clients 2020-2021**



**Ethnicity:** The ethnicity profile of clients is shown below and represents a significant use of our services by minority ethnic groups. Both Coventry and Birmingham locations see a higher overall proportion of nonwhite service users than in the local population<sup>1</sup>.

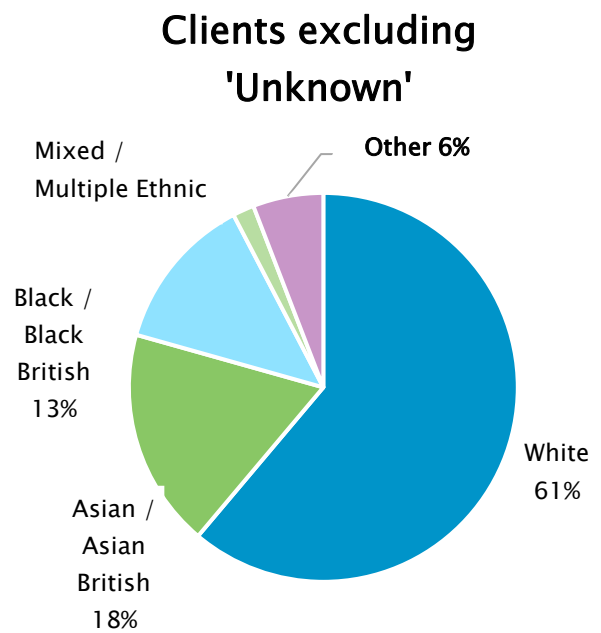
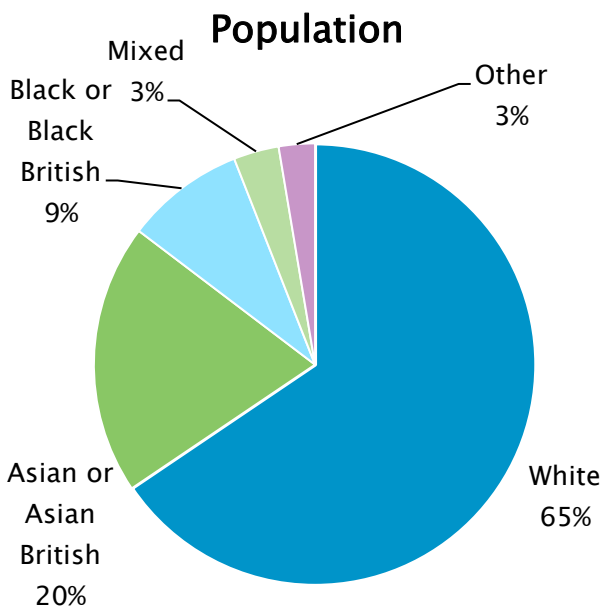
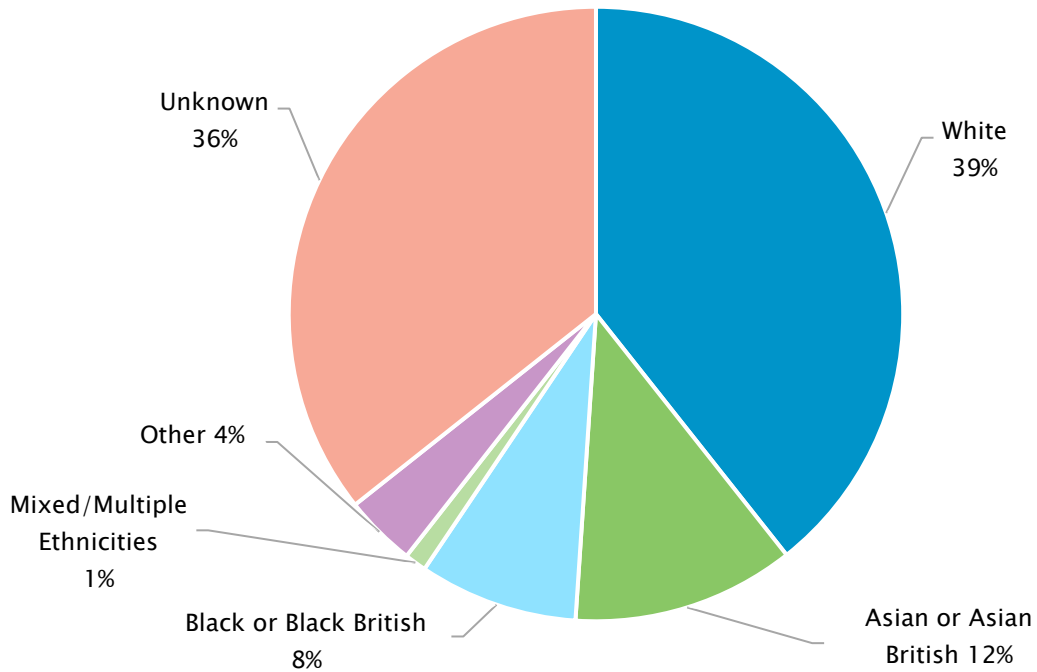
### Birmingham clients 2020–2021



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<sup>1</sup> Local population demographics for 2020 estimated using 2001-2011 Census data and 2018 estimates by Coventry City Council and Birmingham City Council, using a linear proportional regression following existing demographic proportion trends.

## Coventry clients 2020–21



## Financial review

### Financial stability

In 2020/21 CELC reported an overall net increase in unrestricted funds of £83,290 (after actuarial losses relating to the West Midlands Pension Fund). General funds as at 31 March 2021 were £936,325, which is within the range trustees have approved in the reserves policy below based on guidance outlined by the Charity Commission.

The COVID-19 pandemic had an immediate impact on our budgeted Legal Aid income in 2020/21, most notably the suspension in evictions on the casework of our housing team. However, our Legal Aid teams responded quickly to the challenge of operating remotely and adapted to continue to support our Legal Aid clients throughout. Legal Aid income in 2020/21 was therefore lower than we originally budgeted but broadly comparable to 2019/20 financial year, which is a significant achievement.

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

Many of our costs increased in response to COVID-19, most notably the expansion of our services to meet the demand for our support. During March 2020, we registered a growth in enquiries from partner organisations due to rapidly changing Government policy in response to COVID-19. We responded in April by establishing a COVID-19 helpline and weekly information pack in addition to our existing services. This work is continuing as part of a wider strategic aim to ensure legal rights are embedded within the communities we operate in. Our non-pay costs also went up compared with 2019/20, mainly to respond to the challenges of remote working. Our IT costs expanded significantly and we invested in new equipment including laptop computers and mobile phones to allow staff to work from home. A number of changes were also made to our office space in response to our COVID-19 risk assessment. Some of our costs were offset by savings delivered through operating remotely, for example travel expenses and printing costs, and there will be an ongoing efficiency benefit from having moved to a paper-lite organisation.

We were able to secure a number of new restricted and unrestricted grants from funders to support us during this period, which enabled us to expand our services when they were most needed whilst maintaining financial stability. These grants funded our additional staff and non-pay costs and also the loss in Legal Aid income we had originally budgeted for 2020/21. This support from our funders means we are able to continue our work with partner organisations beyond 2020/21 and have designated £150,000 of our unrestricted funds to continue our Rights in the Community work next year. COVID-19 has had an impact on how quickly we have been able to roll out this work and although some projects have progressed, the work is ongoing, and funds are expected to be exhausted by March 2023.

## Central England Law Centre Limited

### Trustees' annual report

#### For the year ended 31 March 2021

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In 2019/20, the trustees allocated £220,000 to a designated fund to invest in strengthening the internal systems and processes of the Law Centre and to create management capacity to develop and implement our future strategy.

In 2020/21 the trustees designated £600,000 to cover any liability that might arise due to a defined benefit pension crystallisation risk. (See note 17a to the financial statements).

At 31 March 21, CELC had no members of staff on furlough. Four members of staff were placed on furlough for part of the period 1 April 2020 – 1 January 2021. All staff members fully returned to work by 1 January 2021.

### Fund raising

The charity received less than £9,587 from donations. Its main funding sources are grants and contracts. The charity does not employ professional fund raisers and does not seek to fund raise from the general public.

### Pension fund

The charity is an admitted body member of the West Midlands Pension Fund. This is a multi-employer pension scheme providing benefits based on career averaged re-valued earnings. Details of the pension scheme are included in note 21 of the financial statements and any potential risk attaching is noted in the principal risks and uncertainties below.

### Public Benefit

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

### Principal risks and uncertainties

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

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

The most significant risks to the charity are reduction or loss of funding from the Legal Aid Agency or the charity's main funder, Coventry City Council.

The Legal Aid contract is very closely managed, with significant emphasis on contract compliance and ensuring that income targets are met. These arrangements have been stress tested by all of the changes to working arrangements necessitated by the pandemic and they have proved resilient.

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

The charity also has a strategy of bidding for funding from other sources. This has been successful, and the charity has seen an increase in the number of funders that it has, as well as a significant overall increase in its funds. This approach will be underpinned over the next five years by work to refresh the organisational strategy, which is providing a framework to allow bids for unrestricted funding. This approach is starting to secure signs of success: a grant of £500,000 over 5 years from Esme Fairbairn Foundation.

The other key risk to financial stability is the liability currently arising from membership of the West Midlands Pension Fund. Trustees took the decision in May 2007 to close the pension scheme to new members in order to manage this risk and an alternative pension provision has been established. The trustees have taken account of the guidance issued by the Charity Commission on Charity Reserves and Defined Benefit Pension Schemes. This highlights that, in considering the position in relation to the FRS 102 valuation, trustees should take account of the fact that the deficit does not crystallize immediately but must give consideration to the impact on future cash flow forecasts of the impact of increased contributions. In this context, trustees have corresponded with the West Midlands Pension Fund and have built the future planned contribution rates into their cash flow projections. Trustees are satisfied that planned increases can be accommodated and will not therefore impact negatively on future operational plans and budgets. No deficit recovery payments are due to be paid in the period April 2020 – March 2022. In November 2020 Coventry City Council agreed to provide a pension guarantee to the Central England Law Centre and subsequently a guarantee document has been agreed between the Law Centre, the West Midlands Pension Fund and Coventry City Council. The guarantee provides protection to the Central England Law Centre in the event of pension crystallisation.

### Reserves policy and going concern

The trustees have reviewed the charity's need for reserves in line with the guidance issued by the Charity Commission and have developed a risk-based reserves policy. The policy is reviewed annually or more frequently if there is a change to the assessment of risk. The objective of the policy is to strengthen CELC's financial resilience whilst avoiding holding funds unnecessarily. Restricted fund balances at the balance sheet date amount to £502K, these are utilised only in accordance with the funders objectives and are not available for the charity's general use. The trustees have allocated £948K to designated funds (Outlined above) within the free reserves to provide for future expenditure and liabilities to leave a general fund balance £946K before the pension reserve as at 31<sup>st</sup> March 2021.

### Trustees' annual report

#### For the year ended 31 March 2021

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The current general fund reserves range as approved by the Board of Trustees is £0.8m – £1m. The range is based on an assessment of the risks to CELC and the finances required to ensure the charity can carry on its activities after allocation to designated funds in the event of unplanned changes to its financial circumstances. The risk factors that have been taken into account include:

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

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

This is based on the following assessment:

- The 2020–21 financial statements show CELC general funds of £0.9M, which is towards to top end of the approved reserves range as outlined above.
- The balance sheet shows net assets of £1.6M net of the defined benefit pensions scheme liability.
- In March 2021 the trustees approved the budget for 2021–22 showing a deficit of £91K for the year. The deficit is covered by the release of previously designated funds against the defined projects.
- The three-year development plan approved by trustees, including risk-based scenario planning such as cuts in grant funding and an increase in pension deficit does not forecast a significant change in the general funds over that time.
- The cashflow forecast indicates a balance of £1.5M at November 2022.
- The defined benefit pension scheme liability with The West Midlands Pension Fund and any further debt on crystallisation risk is protected by a guarantee agreed with Coventry City Council subject to the conditions outlined in note 17a to the financial statements, designated funds.

### Investment policy

The trustees are empowered by the Articles of Association to invest the charity's money as they see fit and make their decisions with reference to the Charity Commission's guidance. The current investment policy is for funds to be held on deposit with the charity's bankers at the best available rate of interest or in pooled deposit funds.

### Plans for the future

We are currently working through a transition period of implementing a series of internal change programmes following a range of assessments that were undertaken in 2019/20. These are all aimed at strengthening our organisational infrastructure and management capacity, while also improving our efficiency. COVID-19 has created some new challenges and we have rapidly adapted our services

to this new context and continue to do so as new need emerges. Building on this, we will launch a new 5-year strategy from April 2022.

During 2021/22, in support of our strategic aims to evolve and expand our existing services to meet the changing needs of the population and to meet identified gaps in provision, we will continue, where possible, to expand and develop our services. We will do this by

- Ensuring successful delivery of the Legal Aid Agency contracts that we hold. We expect to build our capacity and reputation as one of the leading organisations in public interest litigation.
- Working with partners in Birmingham to increase access to specialist advice for destitute migrants in crisis and to prevent people facing crisis with a longer term aim of more funding in the city for free high quality specialist advice.
- Building on the learning from our successful RIPPLE and MAC projects and our COVID-19 response work with partners we are setting out a plan to redirect our legal expertise so more of our work is preventative and builds legal capability and confidence in people to engage with the law and to know their rights.
- Continuing our work through the Ignite Programme to influence the public sector to shift resource to acting earlier. In this final year of extended funding from the Early Action Neighbourhood Fund we will continue to work with partners to mitigate the impact of poverty.
- Through our expanded employment advice project in collaboration with the Access to Justice Foundation and the Ministry of Justice Legal Services Litigants in Person Project we will gather evidence of the impact of early advice and representation on the outcomes of people employment rights issues in order to inform future service delivery.
- Developing our advice and information service to victims of domestic violence and building links through our participation in the Coventry Women's Partnership and with Birmingham and Solihull Women's Aid.
- Seeking new funding to ensure the continuation of our advice services – and particularly focusing on reaching the most vulnerable clients directly. Our focus continues to be securing unrestricted funding to contribute to our core costs to build the operational strength of the organisation.
- Working closely with existing and potential partners to ensure that our services are delivered in a way that responds to the needs of those who are most vulnerable and socially excluded. This will include developing new ways of delivering services in multi-disciplinary teams to better target those who most need our help.
- Growing our partnerships with local universities in both Coventry and Birmingham to maximise the volunteer capacity that students can provide.



## Central England Law Centre Limited

### Trustees' annual report

#### For the year ended 31 March 2021

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- Working in partnership with 4 other not-for-profits and KIND in the US to continue to develop a new national pro-bono service, Kids in Need of Defense UK, to provide representation to children in immigration cases.

We will analyse data on our client base and the need for advice services, as well as seeking and analysing feedback on our services to ensure that we deliver services that are flexible and dynamic and that can evolve to meet changing needs.

## Structure, governance and management

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

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

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

## Organisational structure

Central England Law Centre Ltd has a Board of up to 10 trustees who meet regularly and who are responsible for the strategic direction and policies of the charity. Sue Bent, the Company Secretary and Chief Executive, attends all meetings of the Board but is not a member of it.

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

Responsibility for professional conduct and for meeting Solicitors Regulation Authority requirements is delegated to the Senior Solicitor, Elayne Hill.

The charity employs 67 staff, of whom 45 are engaged in the direct provision of services.

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

## Appointment of trustees

The Articles of Association state that one third of the trustees should retire by rotation. Keith Wilding and Chris King will retire and being eligible, will stand for re-election.

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

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

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

## Trustee induction and training

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

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

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

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

## Related parties and relationships with other organisations

Central England Law Centre is a member of the Law Centres' Network. This is the national body which sets the framework for the operation of Law Centres, and membership is obligatory for any organisation which wants to operate as a Law Centre. The Law Centre's Senior Solicitor and Head of Legal Practice and Operations, Elayne Hill, has been elected to serve on the Executive Committee of the Law Centres' Network.

## Central England Law Centre Limited

### Trustees' annual report

#### For the year ended 31 March 2021

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The Chief Executive of the Law Centre is the chair of Advice Services Coventry. This is a group of voluntary and statutory organisations who all deliver advice services in the city. The group has developed a strategic approach to the delivery of advice services in Coventry. Membership of the group offers an opportunity to improve links and working arrangements with other agencies, which, in turn, improves services for clients.

Central England Law Centre is a member of the Gateway to Birmingham Advice Services. This is a group of voluntary organisations who all deliver advice services in Birmingham. It provides arrangements for members to refer clients within the partnership and to share training and publicity.

The Law Centre works in partnership with other organisations where this assists in achieving our goal of reaching clients who most need our services and who may be hard to reach, and where the partner organisation offers complementary services that improve the overall effectiveness of our specialist legal advice. For example, we are working with Grapevine Coventry and Warwickshire on Ignite, a programme funded by the Early Action Neighbourhood Fund. We are also working with KIND Inc., a US based organisation, Islington Law Centre, Just Right Scotland, Coram Children's Legal Centre and Greater Manchester Immigration Aid Unit in a collaboration called Kids in Need of Defense UK. This is a national pro bono initiative to provide immigration advice to children.

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

### Remuneration policy for key management personnel

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

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

### Funds held as custodian trustee on behalf of others

Central England Law Centre does not perform this function.

### Statement of responsibilities of the trustees

The trustees (who are also directors of Central England Law Centre Limited for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements

in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

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

In so far as the trustees are aware:

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2021 was 9 (2020: 7). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

## Auditor

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

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

The trustees' annual report has been approved by the trustees on 30 November 2021 and signed on their behalf by

Keith Wilding  
Chair

## Independent auditor's report

To the members of

Central England Law Centre Limited

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### Opinion

We have audited the financial statements of Central England Law Centre (the 'charitable company') for the year ended 31 March 2021 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

### Basis for opinion

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

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Central England Law Centre's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

## Independent auditor's report

To the members of

Central England Law Centre Limited

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### Other Information

The other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

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

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

### Matters on which we are required to report by exception

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

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

### Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of

## Independent auditor's report

To the members of

### Central England Law Centre Limited

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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.

## Auditor's responsibilities for the audit of the financial statements

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

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

## Capability of the audit in detecting irregularities

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

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



## Independent auditor's report

To the members of

### Central England Law Centre Limited

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Use of our report

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

Fleur Holden (Senior statutory auditor)

16 December 2021

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Central England Law Centre Limited

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

For the year ended 31 March 2021

	Note	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restated Restricted £	Restated 2020 Total £
<b>Income from:</b>							
Donations	2	8,987	600	<b>9,587</b>	6,774	600	7,374
Charitable activities							
Legal and other advisory services	3	902,802	2,825,378	<b>3,728,180</b>	749,634	2,429,023	3,178,657
Investments		1,281	–	<b>1,281</b>	1,588	–	1,588
Other		17,481	–	<b>17,481</b>	3,450	–	3,450
<b>Total income</b>		<b>930,551</b>	<b>2,825,978</b>	<b>3,756,529</b>	<b>761,446</b>	<b>2,429,623</b>	<b>3,191,069</b>
<b>Expenditure on:</b>							
Charitable activities	4						
Legal and other advisory services		475,030	2,994,233	<b>3,469,263</b>	525,398	1,934,412	2,459,810
<b>Total expenditure</b>		<b>475,030</b>	<b>2,994,233</b>	<b>3,469,263</b>	<b>525,398</b>	<b>1,934,412</b>	<b>2,459,810</b>
<b>Net income for the year</b>	6	<b>455,521</b>	<b>(168,255)</b>	<b>287,266</b>	<b>236,048</b>	<b>495,211</b>	<b>731,259</b>
Transfers between funds		(72,231)	72,231	–	(6,763)	6,763	–
<b>Net income / (expenditure) before other recognised gains</b>		<b>383,290</b>	<b>(96,024)</b>	<b>287,266</b>	<b>229,285</b>	<b>501,974</b>	<b>731,259</b>
Actuarial gains on defined benefit pension schemes	22	(290,000)	–	<b>(290,000)</b>	54,000	–	54,000
<b>Net movement in funds</b>		<b>93,290</b>	<b>(96,024)</b>	<b>(2,734)</b>	<b>283,285</b>	<b>501,974</b>	<b>785,259</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		984,013	598,071	<b>1,582,084</b>	700,728	96,097	796,825
<b>Total funds carried forward</b>		<b>1,077,303</b>	<b>502,047</b>	<b>1,579,350</b>	<b>984,013</b>	<b>598,071</b>	<b>1,582,084</b>

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

## Balance sheet

Company no. 04149673

As at 31 March 2021

	Note	£	2021 £	Restated £	Restated 2020 £
<b>Fixed assets:</b>					
Tangible assets	11		907		2,158
<b>Current assets:</b>					
Work in progress	12	887,396		792,318	
Debtors	13	1,253,014		1,328,499	
Cash at bank and in hand		1,638,542		1,573,719	
			<u>3,778,952</u>	<u>3,694,536</u>	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	14	(1,383,509)		(1,618,610)	
<b>Net current assets</b>			<u>2,395,443</u>		<u>2,075,926</u>
<b>Total assets less current liabilities</b>			<u>2,396,350</u>		<u>2,078,084</u>
Defined benefit pension scheme liability	22		(817,000)		(496,000)
<b>Total net assets</b>			<u><u>1,579,350</u></u>		<u><u>1,582,084</u></u>
<b>The funds of the charity:</b>					
Restricted income funds	17a		502,047		598,071
Unrestricted income funds:					
Designated funds		947,978		220,000	
General funds		946,325		1,260,013	
Pension reserve		(817,000)		(496,000)	
Total unrestricted funds			<u>1,077,303</u>		<u>984,013</u>
<b>Total charity funds</b>			<u><u>1,579,350</u></u>		<u><u>1,582,084</u></u>

Approved by the trustees on 30 November 2021 and signed on their behalf by

K Wilding  
Trustee

Central England Law Centre Limited

Statement of cash flows

For the year ended 31 March 2021

	Note	2021 £	£	2020 £	£
Cash flows from operating activities	18				
Net cash provided by / (used in) operating activities			(348,361)		692,003
Cash flows from investing activities:					
Interest received		1,281		1,588	
Purchase of fixed assets		-		-	
Net cash provided by / (used in) investing activities			1,281		1,588
Change in cash and cash equivalents in the year			(347,080)		693,591
Cash and cash equivalents at the beginning of the year			1,573,719		880,128
Cash and cash equivalents at the end of the year	19		1,226,639		1,573,719

**1 Accounting policies**

**a) Statutory information**

Central England Law Centre Limited is a charitable company limited by guarantee and is incorporated in England and Wales. The registered office address and principal place of business is Oakwood House, St Patrick's Road Entrance, Coventry, CV1 2HL.

**b) Basis of preparation**

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

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

**c) Public benefit entity**

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

**d) Going concern**

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

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

**e) Critical estimates and judgements**

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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in the relevant note to the accounts, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 March 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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

**f) Income**

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

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

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

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

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

Other income is included when receivable.

**g) Interest receivable**

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

**1 Accounting policies (continued)**

**h) Fund accounting**

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

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

**i) Expenditure and irrecoverable VAT**

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

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

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

**j) Allocation of support costs**

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

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

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

**k) Operating leases**

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

**l) Tangible fixed assets**

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

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

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

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

**m) Debtors**

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

**n) Cash at bank and in hand**

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

**o) Client accounts**

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

**p) Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

**q) Financial instruments**

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

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

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

**2 Income from donations**

	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Donations	8,987	600	<b>9,587</b>	6,774	600	7,374
	<u>8,987</u>	<u>600</u>	<u><b>9,587</b></u>	<u>6,774</u>	<u>600</u>	<u>7,374</u>

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

## Notes to the financial statements

For the year ended 31 March 2021

## 3 Income from charitable activities

			2021			Restated	Restated
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	2020
	£	£	£	£	£	£	£
Coventry City Council – grant	-	439,726	<b>439,726</b>	-	439,726		439,726
Therium	-	25,000	<b>25,000</b>	-	-		-
The Oak Foundation	-	96,000	<b>96,000</b>	-	-		-
Legal Aid Agency	555,062	-	<b>555,062</b>	549,799	-		549,799
Other profit costs	18,500	-	<b>18,500</b>	9,450	-		9,450
Income from liquidators	16,674	-	<b>16,674</b>	-	-		-
Advice Services Coventry	-	-	-	-	126		126
Coventry Building Society – Homelessness Prevention Project	-	15,000	<b>15,000</b>	-	15,000		15,000
Coventry City Council – Advice for Families Anchor Centre	-	87,787	<b>87,787</b>	-	87,787		87,787
	-	9,016	<b>9,016</b>	-	9,016		9,016
The Legal Education Foundation – Justice First Fellowships	-	5,966	<b>5,966</b>	-	-		-
Early Action Neighbourhood Fund/Coventry City Council – Ignite Project	-	135,374	<b>135,374</b>	-	290,964		290,964
The Legal Education Foundation – the RIPPLE Project	-	36,525	<b>36,525</b>	-	13,232		13,232
The Legal Education Foundation – Maximising IT	-	-	-	-	8,901		8,901
Kids in Need of Defence	-	543,486	<b>543,486</b>	-	784,019		784,019
Voluntary Sector Consortium – Coventry Healthwatch	-	54,368	<b>54,368</b>	-	43,384		43,384
Coventry City Council – Syrian Families project	-	12,500	<b>12,500</b>	-	75,000		75,000
Allen & Overy – Volunteers	-	10,000	<b>10,000</b>	-	10,000		10,000
Smallwood Trust – Improving Financial Security of Women	-	37,762	<b>37,762</b>	-	31,060		31,060
Coventry City Council – MiFriendly Cities	-	24,851	<b>24,851</b>	-	39,538		39,538
Coventry City Council – Welfare Benefits Advisor	-	-	-	-	2,774		2,774
Access Your Right To Care	-	603,634	<b>603,634</b>	-	176,206		176,206
Law Centres Network – EUSS Complex Cases Project	-	36,299	<b>36,299</b>	-	56,943		56,943
Law Centres Network – Guardian Appeal	-	-	-	-	9,200		9,200
Coventry University	85,966	-	<b>85,966</b>	84,960	-		84,960
University of Warwick	62,870	-	<b>62,870</b>	39,000	-		39,000
Barrow Cadbury – Benefits Aware	-	300	<b>300</b>	-	46,919		46,919
The Oak Foundation – Legal Advice Project	-	-	-	-	139,711		139,711
Controlling Migration Fund	-	138,425	<b>138,425</b>	-	105,802		105,802
Red Cross – Families Together	-	19,638	<b>19,638</b>	-	23,715		23,715
Post Code Lottery	-	-	-	-	20,000		20,000
Birmingham City University	103,730	-	<b>103,730</b>	66,425	-		66,425
Funder Plus	-	8,400	<b>8,400</b>	-	-		-
Coventry Building Society – Mental Health	-	25,000	<b>25,000</b>	-	-		-
Coventry City Council – EUSS Complex Cases Project	-	34,715	<b>34,715</b>	-	-		-
Access to Justice Foundation – Support for Litigants in Person	-	48,396	<b>48,396</b>	-	-		-
The Baring Foundation – Community Justice AMIF	-	62,508	<b>62,508</b>	-	-		-
Birmingham City Council – EUSS Project	-	35,053	<b>35,053</b>	-	-		-
Law Centres Network – PLP Crisis Hubs	-	5,000	<b>5,000</b>	-	-		-
Esmee Fairbairn Foundation – COVID	40,000	-	<b>40,000</b>	-	-		-
Paul Hamlyn Foundation – COVID-19 Grant	20,000	-	<b>20,000</b>	-	-		-
COVID LCN Community Justice	-	15,000	<b>15,000</b>	-	-		-
Comic Relief – COVID-19 Recovery Funding	-	40,000	<b>40,000</b>	-	-		-
Access to Justice Foundation – Community Justice Fund	-	219,649	<b>219,649</b>	-	-		-
	-	-	-	-	-		-
<b>Total income from charitable activities</b>	<b>902,802</b>	<b>2,825,378</b>	<b>3,728,180</b>	<b>749,634</b>	<b>2,429,023</b>		<b>3,178,657</b>



4a Analysis of expenditure (current year)

	Charitable activities £	Governance costs £	Support costs £	2021 Total £	2020 Total £
Staff costs (Note 7)	1,457,140	-	516,388	<b>1,973,528</b>	1,737,999
Insurance	16,058	199	-	<b>16,257</b>	13,849
Publications	5,034	-	-	<b>5,034</b>	2,079
Subscriptions	15,300	-	-	<b>15,300</b>	12,740
Courses	8,707	-	-	<b>8,707</b>	20,115
Disbursements	6,025	-	-	<b>6,025</b>	5,851
Communications	-	-	16,572	<b>16,572</b>	10,225
Premises costs	-	-	93,881	<b>93,881</b>	86,646
Other costs	-	-	122,574	<b>122,574</b>	50,629
Depreciation and sundry equipment	-	-	47,009	<b>47,009</b>	75,454
Printing, postage and stationery	-	-	15,594	<b>15,594</b>	27,146
Advertising	-	-	-	-	3,585
Travel	-	-	723	<b>723</b>	7,945
Bank charges	-	-	437	<b>437</b>	365
Grant funded activities	1,136,809	-	-	<b>1,136,809</b>	392,069
Client payments	-	-	-	-	-
Audit and accountancy	-	10,813	-	<b>10,813</b>	13,113
	<b>2,645,073</b>	<b>11,012</b>	<b>813,178</b>	<b>3,469,263</b>	<b>2,459,810</b>
Support costs	813,178	-	(813,178)	-	-
Governance costs	11,012	(11,012)	-	-	-
<b>Total expenditure 2021</b>	<b>3,469,263</b>	<b>-</b>	<b>-</b>	<b>3,469,263</b>	<b>2,459,810</b>
Total expenditure 2020	2,459,810	-	-	2,459,810	

Grant funded activities is expenditure specific to projects. This includes £1,024,492 (2020: £297,158) we have received from funders to pay to partner organisations for work done on projects.

Central England Law Centre Limited

Notes to the financial statements

For the year ended 31 March 2021

4a Analysis of expenditure (prior year)

	Charitable activities £	Governance costs £	Support costs £	2020 Total £
Staff costs (Note 7)	1,287,226	-	450,773	1,737,999
Insurance	13,374	475	-	13,849
Publications	2,079	-	-	2,079
Subscriptions	12,740	-	-	12,740
Courses	20,115	-	-	20,115
Disbursements	5,851	-	-	5,851
Communications	-	-	10,225	10,225
Premises costs	-	-	86,646	86,646
Other costs	-	-	50,629	50,629
Depreciation and sundry equipment	-	-	75,454	75,454
Printing, postage and stationery	-	-	27,146	27,146
Advertising	-	-	3,585	3,585
Travel	-	-	7,945	7,945
Bank charges	-	-	365	365
Grant funded activities	392,069	-	-	392,069
Client payments	-	-	-	-
Audit and accountancy	-	13,113	-	13,113
	<u>1,733,454</u>	<u>13,588</u>	<u>712,768</u>	<u>2,459,810</u>
Support costs	712,768	-	(712,768)	-
Governance costs	13,588	(13,588)	-	-
<b>Total expenditure 2020</b>	<b><u>2,459,810</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>2,459,810</u></b>

Grant funded activities is expenditure specific to projects. This includes £297,158 (2019: £326,664) we have received from funders to pay to partner organisations for work done on

Notes to the financial statements

For the year ended 31 March 2021

5a Grant making (current year)

	Grants £	2021 £
<b>Project</b>		
Ignite Project	96,628	96,628
Kids In Need of Defense	242,227	242,227
Access Your Right to Care	661,539	661,539
Support for Litigants in Person	24,098	24,098
At the end of the year	<u>1,024,492</u>	<u>1,024,492</u>

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

	2021 £
Payments were made to organisations for activities as below:	
Grapevine Coventry & Warwickshire Ltd	96,628
Islington Law Centre	139,742
Coram Children's Legal Centre	74,198
JustRight Scotland	28,287
Access Your Right to Care	661,539
Derbyshire Law Centre	24,098
At the end of the year	<u>1,024,492</u>

5b Grant making (prior year)

	Grants £	2020 £
<b>Project</b>		
Kids In Need of Defense	215,106	215,106
Access Your Right to Care	82,052	82,052
At the end of the year	<u>297,158</u>	<u>297,158</u>

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

	2020 £
Payments were made to organisations for activities as below:	
Islington Law Centre	113,742
Coram Children's Legal Centre	96,665
Greater Manchester Immigration Aid Unit	4,699
Access Your Right to Care	82,052
At the end of the year	<u>297,158</u>

6 Net income for the year

This is stated after charging:

	2021 £	2020 £
Depreciation	1,251	1,892
Professional Indemnity Insurance	6,496	6,496
Operating lease rentals:		
Property	58,104	55,404
Other	4,586	4,586
Auditor's remuneration (excluding VAT):		
Audit	<u>11,000</u>	<u>10,800</u>

Notes to the financial statements

For the year ended 31 March 2021

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

Staff costs were as follows:

	2021 £	2020 £
Salaries and wages	1,714,672	1,502,151
Redundancy and termination costs	8,162	2,500
Social security costs	158,972	132,097
Employer's contribution to defined contribution pension schemes	40,993	36,978
Operating costs of defined benefit pension schemes	44,300	62,595
Recruitment costs	7,328	1,678
	<u>1,974,427</u>	<u>1,737,999</u>

The redundancy and termination costs were settled and £7,263 was paid in April 2021.

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

	2021 No.	2020 No.
£60,000 – £69,999	<u>1</u>	<u>-</u>

No employees earned more than £60,000 in the year in 2020.

Key management personnel include the Trustees, the Chief Executive, the Head of Operations and Legal Practice, the Head of Finance and IT and the Head of Impact and Service Development. The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £196,015 (2020: £135,161).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2020: £nil). No charity trustee received payment for professional or other services supplied to the charity (2020: £nil).

No trustee received any remuneration in either year. No trustee expenses were paid for by the charity in the year (2020: £120 for one trustee).

**8 Staff numbers**

The average number of employees (head count based on number of staff employed) during the year was 67 (2020: 63).

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

	2021 No.	2020 No.
Support staff	22	17
Legal and advisory staff	45	46
	<u>67</u>	<u>63</u>

**9 Related party transactions**

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

Aggregate donations from related parties were £nil (2020: £nil).

Councillor David Welsh is a member of Coventry City Council.

As Cllr Welsh does not have significant control over decisions regarding funding for the Law Centre made by Coventry City Council, the Trustees have not included any details of funding under related parties.

The company secretary and chief executive, S Bent is also a director of Voluntary Sector Consortium.

During the year, the charity received income of £54,368 (2020: £43,384) from Voluntary Sector Consortium. At 31 March 2021 a balance of £9,976 (2020: £nil) was due from Voluntary Sector Consortium.

**10 Taxation**

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

**11 Tangible fixed assets**

	Property improvements £	Computer equipment £	Office equipment £	Total £
<b>Cost</b>				
At the start of the year	66,902	69,568	23,724	<b>160,194</b>
At the end of the year	66,902	69,568	23,724	<b>160,194</b>
<b>Depreciation</b>				
At the start of the year	65,722	68,600	23,714	<b>158,036</b>
Charge for the year	480	761	10	<b>1,251</b>
At the end of the year	66,202	69,361	23,724	<b>159,287</b>
<b>Net book value</b>				
<b>At the end of the year</b>	700	207	-	<b>907</b>
At the start of the year	1,180	968	10	2,158

All of the above assets are used for charitable purposes.

**12 Work in progress**

	2021 £	2020 £
Legal work performed but unbilled at year end	<b>887,396</b>	792,318
	<b>887,396</b>	792,318

**13 Debtors**

	2021 £	2020 £
Other debtors including disbursements	<b>901,989</b>	1,215,264
VAT	-	16,331
Prepayments and accrued income	<b>351,025</b>	96,904
	<b>1,253,014</b>	1,328,499

## Notes to the financial statements

For the year ended 31 March 2021

## 14 Creditors: amounts falling due within one year

	2021 £	Restated 2020 £
Trade creditors	441,352	529,512
Taxation and social security	44,388	33,157
VAT	10,835	-
Other creditors	240	67,369
Pension creditor	11,409	17,175
Accruals	145,376	126,702
Deferred income	729,909	844,695
	<b>1,383,509</b>	<b>1,618,610</b>

## 15 Deferred income

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

	2021 £	Restated 2020 £
Balance at the beginning of the year	844,695	599,675
Receipts in advance	1,937,068	2,779,931
Released to income in the year	(2,051,854)	(2,534,911)
Balance at the end of the year	<b>729,909</b>	<b>844,695</b>

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

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	907	-	-	907
Current assets	1,598,282	956,528	1,224,142	3,778,952
Current liabilities	(652,864)	(8,550)	(722,095)	(1,383,509)
Defined benefit pension liability	(817,000)	-	-	(817,000)
<b>Net assets at 31 March 2021</b>	<b>129,325</b>	<b>947,978</b>	<b>502,047</b>	<b>1,579,350</b>

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

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	2,158	-	-	2,158
Current assets	1,648,663	220,000	1,825,873	3,694,536
Current liabilities	(390,808)	-	(1,227,802)	(1,618,610)
Defined benefit pension liability	(496,000)	-	-	(496,000)
<b>Net assets at 31 March 2020</b>	<b>764,013</b>	<b>220,000</b>	<b>598,071</b>	<b>1,582,084</b>

## Notes to the financial statements

For the year ended 31 March 2021

## 17a Movements in funds (current year)

	At 1 April 2020 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2021 £
<b>Restricted funds:</b>					
Coventry City Council – grant	-	439,726	(439,726)	-	-
Subscription fund	-	600	(600)	-	-
Coventry Building Society – Homelessness Prevention Project	-	15,000	(15,000)	-	-
Coventry Building Society – Mental Health Voluntary Sector Consortium – Coventry Healthwatch	-	25,000	(25,000)	-	-
Coventry City Council – Advice for Families	-	54,368	(52,702)	-	1,666
Virgin Health – Anchor Centre	-	87,787	(87,787)	-	-
Early Action Neighbourhood Fund/Coventry City Council – Ignite Project	39,884	135,374	(175,258)	-	-
Kids in Need of Defense	411,903	543,486	(454,783)	-	500,606
Coventry City Council – Syrian Families project	-	12,500	(12,500)	-	-
Allen & Overy – Volunteers	-	10,000	(10,000)	-	-
Smallwood Trust – Improving Financial Security of Women	-	37,762	(37,762)	-	-
Coventry City Council – MiFriendly Cities The Legal Education Foundation – the RIPPLE Project roll out phase	24,374	24,851	(61,532)	12,307	-
Law Centres Network – EUSS Complex Cases Project	50	36,525	(36,575)	-	-
Coventry City Council – EUSS Complex Cases Project	-	36,299	(36,299)	-	-
Coventry City Council – EUSS Complex Cases Project	-	34,715	(34,715)	-	-
Legal Education Foundation – Maximising IT	2,061	-	(2,182)	121	-
The Oak Foundation – Access Your Right to Care Funder Plus	82,532	603,634	(686,166)	-	-
Access to Justice Foundation – Support for Litigants in Person	-	8,400	(8,400)	-	-
The Legal Education Foundation – Justice First Fellowships	-	48,396	(48,396)	-	-
The Baring Foundation – Community Justice Birmingham City University – contribution to cloud migration	-	5,966	(5,966)	-	-
Baring Foundation – Mother and Child Project Therium	-	-	(225)	-	(225)
Oak Foundation	9,736	-	(10,194)	458	-
Barrow Cadbury – Benefits Aware	-	-	-	-	-
The Oak Foundation – Legal Advice Project	-	25,000	(25,000)	-	-
Red Cross – Families Together	-	96,000	(96,000)	-	-
Controlling Migration Fund	-	300	(300)	-	-
Asylum, Migration and Integration Fund	22,865	-	(22,865)	-	-
Birmingham City Copuncil – EUSS Project	2,057	19,638	(21,695)	-	-
Law Centres Network – PLP Crisis Hubs	2,609	138,425	(141,093)	59	-
COVID	-	62,508	(69,453)	6,945	-
COVID LCN Community Justice	-	35,053	(35,053)	-	-
Comic Relief – COVID 19 Recovery Fund	-	5,000	(5,000)	-	-
Access to Justice Foundation – Community Justice Fund	-	15,000	(15,000)	-	-
	-	40,000	(40,018)	18	-
	-	219,649	(271,972)	52,323	-
<b>Total restricted funds</b>	<b>598,071</b>	<b>2,825,978</b>	<b>(2,994,233)</b>	<b>72,231</b>	<b>502,047</b>
<b>Designated funds:</b>					
Transformation fund	220,000	-	(22,022)	-	197,978
Legal Support fund	-	-	-	150,000	150,000
Pension fund	-	-	-	600,000	600,000
<b>Total designated funds</b>	<b>220,000</b>	<b>-</b>	<b>(22,022)</b>	<b>750,000</b>	<b>947,978</b>
<b>General funds</b>	<b>1,260,013</b>	<b>677,985</b>	<b>(169,442)</b>	<b>(822,231)</b>	<b>946,325</b>
Coventry University	-	85,966	(85,966)	-	-
University of Warwick	-	62,870	(62,870)	-	-
Birmingham City University	-	103,730	(103,730)	-	-
<b>Total unrestricted funds</b>	<b>1,260,013</b>	<b>930,551</b>	<b>(422,008)</b>	<b>(822,231)</b>	<b>946,325</b>
<b>Pension reserve</b>	<b>(496,000)</b>	<b>-</b>	<b>(321,000)</b>	<b>-</b>	<b>(817,000)</b>
<b>Total funds including pension fund</b>	<b>1,582,084</b>	<b>3,756,529</b>	<b>(3,759,263)</b>	<b>-</b>	<b>1,579,350</b>

**17a Movements in funds (continued)**

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

The grant received from Coventry City Council for the Mifriedly Cities project has been agreed on the basis that the Law Centre makes a contribution towards the costs of the project. This contribution was £12,307 for the year (2020: £6,763).

The grant received from Birmingham City Council for the Asylum, migration and integration fund project has been agreed on the basis that the Law Centre makes a contribution towards the costs of the project. This contribution was £6,945 for the year (2020: £nil).

In 2019/20 £220,000 was allocated to a designated reserve for a transformation programme as agreed by the Trustees. The funds are expected to be spent over the period April 2020 – March 2023. The purpose of the expenditure is to strengthen the internal systems and processes of the Law Centre and to create management capacity to develop and implement our future strategy. The costs include a Process and Change Manager, an interim management promotion and assistant support to the management team.

In 2020/21 £150,000 has been designated by the trustees to continue our work on ensuring Rights in the Community. The purpose of the funds is largely to support the salary costs of the delivery team. The funds are expected to be spent in full in the 2021/22 financial year.

In 2020/21 the trustees designated £600,000 for a pension liability crystallisation risk. Historically CELC employees had access to the Local Government Pension Scheme via the West Midlands Pension Fund. Scheme entry was closed in 2007 for new members and there are now only two active members of the scheme. Once the last CELC employee who is also an active member of the fund leaves CELC employment, this triggers what is referred to as a pension fund crystallisation event. A guarantee document has been agreed between Coventry City Council (CCC), West Midlands Pension Fund and CELC providing protection in the event of a crystallisation event. An accompanying agreement between CCC and CELC states that in the event of crystallisation, the order of preference is for CELC to a) settle the amount in full b) in part or c) CCC will settle the amount in full if CELC is unable. The trustees have therefore agreed to designate an amount in recognition of this agreement.



## Notes to the financial statements

For the year ended 31 March 2021

## 17b Movements in funds (prior year) (restated)

	As at 1 April 2019 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2020 £
<b>Restricted funds:</b>					
Coventry City Council – grant	-	439,726	(439,726)	-	-
Subscription fund	-	600	(600)	-	-
Advice Services Coventry	-	126	(126)	-	-
Coventry Building Society – Homelessness Prevention Project	-	15,000	(15,000)	-	-
Coventry City Council – Advice for Families	-	87,787	(87,787)	-	-
Virgin Health – Anchor Centre	-	9,016	(9,016)	-	-
Early Action Neighbourhood Fund/Coventry City Council – Ignite Project	55,167	290,964	(306,247)	-	<b>39,884</b>
The Legal Education Foundation – the RIPPLE Project	50	13,232	(13,232)	-	<b>50</b>
Kids in Need of Defense	-	784,019	(372,116)	-	<b>411,903</b>
Voluntary Sector Consortium – Coventry Healthwatch	-	43,384	(43,384)	-	-
The Baring Foundation – Mother and Child Project	4,575	-	(4,575)	-	-
Coventry City Council – Syrian Families Project	-	75,000	(75,000)	-	-
Allen & Overy – Volunteers	-	10,000	(10,000)	-	-
Smallwood Trust – Improving Financial Security of Women	-	31,060	(31,060)	-	-
Coventry City Council – Welfare Benefits Advisor	2,353	2,774	(5,127)	-	-
Coventry City Council – MiFriendly Cities	24,216	39,538	(46,143)	6,763	<b>24,374</b>
The Oak Foundation – Access Your Right to Care	-	176,206	(93,674)	-	<b>82,532</b>
Law Centres Network – EUSS Complex Cases Project	-	56,943	(56,943)	-	-
Legal Education Foundation – Maximising IT	-	8,901	(6,840)	-	<b>2,061</b>
Birmingham City University – contribution to Cloud Migration	9,736	-	-	-	<b>9,736</b>
Barrow Cadbury – Benefits Aware	-	46,919	(46,919)	-	-
The Oak Foundation – Legal Advice Project	-	139,711	(116,846)	-	<b>22,865</b>
Red Cross – Families Together	-	23,715	(21,658)	-	<b>2,057</b>
Postcode Lottery – Families Together	-	20,000	(20,000)	-	-
LCN Guardian Appeal	-	9,200	(9,200)	-	-
Controlling Migration Fund	-	105,802	(103,193)	-	<b>2,609</b>
<b>Total restricted funds</b>	<b>96,097</b>	<b>2,429,623</b>	<b>(1,934,412)</b>	<b>6,763</b>	<b>598,071</b>
<b>Designated funds:</b>					
Transformation fund	-	-	-	220,000	<b>220,000</b>
<b>Total designated funds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>220,000</b>	<b>220,000</b>
<b>General funds</b>	<b>1,209,728</b>	<b>571,061</b>	<b>(294,013)</b>	<b>(226,763)</b>	<b>1,260,013</b>
Coventry University	-	84,960	(84,960)	-	-
University of Warwick	-	39,000	(39,000)	-	-
Birmingham City University	-	66,425	(66,425)	-	-
<b>Total unrestricted funds</b>	<b>1,209,728</b>	<b>761,446</b>	<b>(484,398)</b>	<b>(226,763)</b>	<b>1,260,013</b>
<b>Pension reserve</b>	<b>(509,000)</b>	<b>3,000</b>	<b>10,000</b>	<b>-</b>	<b>(496,000)</b>
<b>Total funds including pension fund</b>	<b>796,825</b>	<b>3,194,069</b>	<b>(2,408,810)</b>	<b>-</b>	<b>1,582,084</b>

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

17b Movements in funds (continued)

**Purposes of restricted funds**

Coventry City Council – grant	To support legal casework for people in Coventry
Subscription fund	A regular donation to pay for a subscription is made by an ex-employee
Advice Services Coventry	Funding received to maintain a website for the advice centres in Coventry to make referrals to partner agencies
Coventry Building Society – Homelessness Prevention Project	Funding for housing advice to prevent Homelessness
Coventry Building Society – Mental Health Project	Providing intensive support to people facing housing issues and disclosing a mental health condition.
Coventry City Council – Advice for Families	Working with the local authority's Family Hubs, to provide legal support to vulnerable families in the city
Virgin Health – Anchor Centre	Advice and casework for people that are homeless or insecurely housed
The Legal Education Foundation – Justice First Fellowships	Funding to support training contracts for social welfare lawyers
Early Action Neighbourhood Fund/Coventry City Council – Ignite Project	A change programme in partnership with Grapevine to promote early action in two public services in Coventry
The Legal Education Foundation – the RIPPLE Project	A Public Legal Education Programme in the field of community care by working with groups of clients who have similar issues/needs
Kids in Need of Defense	Working with a consortium to establish a pro bono service for children to receive immigration advice
Voluntary Sector Consortium – Coventry Healthwatch	To provide independent advocacy to people with health complaints throughout Coventry
The Baring Foundation – Mother and Child Project	To build capacity in the advocacy sector to tackle issues raised for girls and women leaving care who are pregnant
Coventry City Council – Syrian Families Project	A joint programme of support to assist Syrian refugees to settle in the city
Allen & Overy – Volunteers	A contribution to supporting student pro bono clinics
Smallwood Trust – Improving Financial Security of Women	A partnership with Women's Organisations in Coventry to provide more co-ordinated services for vulnerable women
Barrow Cadbury – Benefits Aware	To deliver training and use social media to build an informed community of advisers and claimants
The Oak Foundation – Legal Advice Project	Support to develop new housing and immigration legal advice services
Coventry City Council – Welfare Benefits Advisor	Additional funding to employ a Welfare Benefits Advisor
Coventry City Council – MiFriendly Cities	To provide legal healthchecks to migrant communities with a focus on undocumented minors
Birmingham City University – contribution to Cloud Migration	A one-off grant in support of moving our IT to the Cloud
The Oak Foundation – Access Your Right to Care	To transform access to justice for people with a learning difficulty
Law Centres Network – EUSS Complex Cases Project	To assist people with complex cases in securing EU settled status
Legal Education Foundation – Maximising IT	To engage a consultant to define our technology and IT needs
Red Cross – Families Together	To support refugees (and their families) applying for family reunion
Postcode Lottery – Families Together	To offer legal advice to victims of modern slavery to enable them to regulate their immigration status
LCN Guardian Appeal	Funding to support Law Centres
Controlling Migration Fund	To enable new arrivals and existing migrant communities to effectively access local services and networks in Birmingham
Funder Plus	COVID-19 response – immediate administrative support for the Law Centre, mitigating lost Legal Aid income, and looking to develop longer-term post-pandemic service.
Access to Justice Foundation – Support for Litigants in Person	Delivery of advice and support to Litigants in Person with employment rights issues, and research seeking to understand the role of early advice in reducing the number of cases being heard in Tribunals
The Baring Foundation – Community Justice	Rights in Peril Project – research project focused on removal of legal rights by introduction of easements in the Coronavirus Act 2020.
Coventry City Council – EUSS Complex Cases Project	Support with Complex Case EUSS applications. Marketing of service. Training to frontline workers (particularly those working directly with vulnerable and at-risk nationals), organisations and groups across Coventry to raise awareness of EUISS.
Therium	Support for core costs including hiring a part-time administrator, enabling the Law Centre to pursue overall strategic objectives.
Oak Foundation	Support for core costs of Birmingham service with a focus on expanding law centre capacity to reduce the number of people who are homeless/at risk of homelessness by providing expert legal advice/representation in welfare benefits, debt, housing, community care, immigration and public law.
Asylum, Migration and Integration Fund	Foundations of Integration project. To improve provisions to support Third Country Nationals (TCNs) in accessing information, advice and guidance to further their integration and contributing to the development of an online portal.

## Notes to the financial statements

For the year ended 31 March 2021

## 17b Movements in funds (continued)

Birmingham City Council – EUSS Project	Deliver practical support to vulnerable or at-risk EU, EEA and Swiss citizens and their family members to help them make their EU Settlement Scheme application.
Law Centres Network – PLP Crisis Hubs	Establishing a partnership between LCN and CELC to increase the availability and accessibility of legal information, specialist social welfare, immigration and public law advice to Birmingham Crisis Skylight centres frontline workers.
COVID	
COVID LCN Community Justice	COVID-19 response – staff, office and administrative costs and expansion of services
Comic Relief – Partner Helpline & Pack	Maintaining COVID-19 response. Producing a weekly legal rights information pack and running a support helpline for frontline staff in other services
COVID – Community Justice Fund	COVID-19 response – immediate administrative support for the Law Centre, mitigating lost Legal Aid income, and looking to develop longer-term post-pandemic service.
The Baring Foundation – Help & Information Pack	Funding staff costs associated with running a helpline and issuing a rights information pack and other materials for partner organisations.
<b>Purposes of contracts</b>	
Coventry University	For supervision of students to run advice clinics alongside staff
University of Warwick	For supervision of students to run advice clinics alongside staff
Birmingham City University	For supervision of students to run advice clinics alongside staff

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

	2021 £	Restated 2020 £
<b>Net income for the reporting period (as per the statement of financial activities)</b>	<b>(2,734)</b>	373,356
Depreciation charges	1,251	1,892
Interest receivable	(1,281)	(1,588)
Increase in work in progress	(95,078)	(117,011)
Decrease/(increase) in debtors	75,485	(382,186)
(Decrease)/increase in creditors	(647,004)	830,540
Increase/(Decrease) in pension scheme liability	321,000	(13,000)
<b>Net cash provided by / (used in) operating activities</b>	<b>(348,361)</b>	692,003

## 19 Analysis of cash and cash equivalents

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	1,573,719	64,823	<b>1,638,542</b>
<b>Total cash and cash equivalents</b>	<b>1,573,719</b>	<b>64,823</b>	<b>1,638,542</b>

## 20 Operating lease commitments

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

	Property		Equipment	
	2021 £	2020 £	2021 £	2020 £
Less than one year	46,716	45,086	4,272	4,588
One to five years	116,634	167,250	10,989	15,281
	<b>163,350</b>	<b>212,336</b>	<b>15,261</b>	<b>19,869</b>

## 21 Legal status of the charity

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

## 22 Pension commitments

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation related to the period ended 31 March 2019.

Contributions amounting to £1,587 (2020: £2,228) were payable to the scheme at 31 March 2021 and are included within creditors.

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 March 2021 was £19,033, of which employer's contributions totalled £12,451 and employees' contributions totalled £6,582. The agreed contribution rates for future years are 15% for employers and depending on salary 6.5%–8.5% for employees.

Principal Actuarial Assumptions	2021	2020
Discount rate for scheme liabilities	2.00%	2.35%
Rate of increase in salaries	3.80%	2.90%
Rate of increase of pensions	2.80%	1.90%

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

### Retiring today

Males	21.6	21.9
Females	23.9	24.1

### Retiring in 20 years

Males	23.4	23.8
Females	25.8	26.0

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

	2021 Expected rate of return	Value 2021 £'000	2020 Expected rate of return	Value 2020 £'000
Equities		1,640		1,335
Government Bonds		277		273
Other Bonds		107		98
Property		201		209
Cash/liquidity		166		84
Other		392		347
<b>Total market value of assets</b>	19.27%	<b>2,783</b>	8.00%	2,346
Present value of scheme liabilities – Funded		(3,600)		(2,842)
<b>Deficit in the scheme</b>		<b>(817)</b>		<b>(496)</b>

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

The total return on the fund assets for the year to 31 March 2021 is £452,000 (2020: (£97,000)).

21 Pension commitments (continued)

	2021 £'000	2020 £'000
<b>Amounts recognised in the statement of financial activities:</b>		
Service cost	31	48
Net interest on the defined liability (asset)	11	12
Administration expenses	2	2
	<u>44</u>	<u>62</u>
Total operating charge	<u>44</u>	<u>62</u>

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

	2021 £'000	2020 £'000
<b>Change in benefit obligations</b>		
Benefit obligation brought forward	2,842	2,878
Service cost	31	31
Interest cost	66	69
Change in financial assumptions	760	(281)
Change in demographic assumptions	(37)	88
Experience (gain) on defined benefit obligations	(36)	66
Contributions by scheme participants	7	6
Past service costs, including curtailments	–	17
Estimated benefits paid net of transfers in	(33)	(32)
	<u>3,600</u>	<u>2,842</u>
Benefit obligation carried forward	<u>3,600</u>	<u>2,842</u>

	2021 £'000	2020 £'000
<b>Change in plan assets</b>		
Fair value of plan assets brought forward	2,346	2,369
Interest on assets	55	57
Return on assets less interest	397	(154)
Other actuarial gain	–	81
Administration expenses	(2)	(2)
Contributions by employer including unfunded	13	21
Contributions by Fund participants	7	6
Estimated benefits paid net of transfers in	(33)	(32)
	<u>2,783</u>	<u>2,346</u>
Fair value of plan assets carried forward	<u>2,783</u>	<u>2,346</u>

The employer expects to contribute £12,872 in the year to 31 March 2022.

	2021 £'000	2020 £'000	2019 £'000	2018 £'000	2017 £'000
<b>Five year history of experience adjustments</b>					
Benefit obligation at year end	3,600	2,842	2,878	2,822	2,827
Fair value of plan assets at end of year	2,783	2,346	2,369	2,198	2,144
	<u>(817)</u>	<u>(496)</u>	<u>(509)</u>	<u>(624)</u>	<u>(683)</u>
Deficit	<u>(817)</u>	<u>(496)</u>	<u>(509)</u>	<u>(624)</u>	<u>(683)</u>

**23 Prior year adjustment for change in accounting policy**

Central England Law Centre has reviewed the treatment of funding for the Kids In Needs of Defence (KIND) project. Previously, any unspent funds under this project had been deferred into future years. The charity has reviewed this accounting policy and determined that income should be recognised on award of grant agreements, at which point the income criteria per the SORP are met. Unspent funds are carried forward as a balance on restricted funds. The charity has applied this change in accounting policy retrospectively as required by FRS 102, resulting in a prior year adjustment.

<b>Reserves position</b>	Unrestricted £	Restricted £	Total £
Total funds at 31 March 2020 as previously stated	984,013	186,168	1,170,181
Adjustments to deferred income 2019/20	–	411,903	411,903
Total Funds as at 31 March 2020 as restated	<u>984,013</u>	<u>598,071</u>	<u>1,582,084</u>
<b>Impact on income and expenditure 2019/20</b>	Unrestricted £	Restricted £	Total £
Income as previously reported for y/e 31 March 2020	761,446	2,017,720	2,779,166
Adjustments to deferred income 2019/20	–	411,903	411,903
Net income as restated	<u>761,446</u>	<u>2,429,623</u>	<u>3,191,069</u>