

Company number: 4149673

Charity number: 1087312

# Central England Law Centre Limited

Report and financial statements  
For the year ended 31 March 2022

# Central England Law Centre Limited

## Contents

### For the year ended 31 March 2022

---

Reference and administrative information .....	1
Trustees' annual report .....	3
Independent auditor's report .....	27
Statement of financial activities (incorporating an income and expenditure account) .....	31
Balance sheet .....	32
Statement of cash flows .....	33
Notes to the financial statements .....	34

# Central England Law Centre Limited

## Reference and administrative information

For the year ended 31 March 2022

---

**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 (Resigned 22 February 2022)  
K Wilding (Chair from 30 November 2021)  
G Moffatt  
Councillor D Welsh (Resigned 25 May 2021)  
Professor J McHale  
C King  
R Kodakandala (Resigned 21 July 2022)  
R Alomo  
T Bannister (Appointed 25 January 2022)  
Councillor J Tucker (Appointed 25 January 2022)

**Key management Personnel** S Bent (Chief Executive) (Retired 31 March 2022)  
E Hill (Head of Operations and Legal Practice to 31 March 2022, Chief Executive thereafter)  
L Hart (Director of Finance and IT) (Resigned 19 October 2021)  
P.O'Donnell (Director of Finance and IT) (Appointed 19 October 2021)  
C Stern (Head of Impact and Service Development)  
L Nash (Head of Operations and Legal Practice, appointed (1 April 2022)

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

**Central England Law Centre Limited**

**Reference and administrative information**

**For the year ended 31 March 2022**

---

**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 2022

---

The trustees (also known as directors) present their report and the audited financial statements for the year ended 31 March 2022.

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

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

## Directors and trustees

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

## Objectives and activities

### Purposes and aims

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

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

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

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

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

These are summarised in our statement of purpose:

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

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

**The key issues underpinning the strategic aims for 2021–24:**

Covid-19 has had a disproportionate effect on people who were already disadvantaged in Coventry, Birmingham and across the West Midlands but the effect of the pandemic has also been to force even more people into hardship, resulting in an increase in demand for the services Central England Law Centre provides to the community. Nationally there has been a rise in domestic violence and abuse and we are already experiencing large levels of demand beyond our capacity for immigration, employment and family law advice. As the country emerges from the constraints of the global pandemic and the cost-of-living emergency continues, it is anticipated that more people will build up debt, there will be growth in unemployment and, in turn further and continuing pressure on public services, housing, health and care services. It is against this backdrop and the following key issues that we have set our strategic aims for 2021–24:

- A growth in structural poverty due to the cost-of-living crisis- for both those in work and those out of work – 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 and unfair treatment.
- 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. Potential reductions in core funding mean 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.

**Strategic aims for 2021–24:**

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

The main activities that we have undertaken in pursuit of these aims during 2021/22 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, and to improve our ability to reach the most vulnerable individuals and communities. They are undertaken to further our charitable purposes for the public benefit and to fulfil our vision of a fairer, more just society in which an understanding of rights and their power is embedded within communities.

### Service delivery

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

### Coventry

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

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

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

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

## Central England Law Centre Limited

### Trustees' annual report

#### For the year ended 31 March 2022

---

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

- We received increased funding from Coventry Building Society to support our housing team in its homelessness prevention work, including intensive support to people facing homelessness, and enables us to provide intensive support to people with mental health challenges.
- Virgin Health provide funding for us to advise people at The Anchor Centre, a medical centre for those who are homeless or insecurely housed.
- The 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. This funding ended in March 2022.
- The Smallwood Trust funded us to work in partnership with four women's organisations, as part of the Coventry Women's Partnership, to improve economic outcomes for women by providing joined up front line support. We employ an immigration adviser to focus on the legal needs of victims of domestic violence and a generalist caseworker to support women with a range of legal needs to access legal advice from across the Law Centre.
- In partnership with Coventry City Council, we have received funding to assist people with complex cases in securing EU settled status. This project is currently funded in Coventry until September 2022.
- We are subcontracted by Voluntary Action Coventry to run an Independent Health Complaints Advocacy Service (IHCAS) providing a casework service to support clients in progressing formal complaints regarding health services, including those provided by dentists, GPs, NHS hospitals or care in a private hospital if it was paid for by the NHS, as well as complaints about NHS Continuing Healthcare. Where appropriate, the service also supports clients to complain to the Parliamentary and Health Service Ombudsman.
- We continue to partner with both Coventry University and the University of Warwick, who provide funding for supervision of their students to run advice clinics alongside our staff. We also deliver the Strategic Public Law Clinic, a joint initiative with Warwick Law in the Community (LinC). It specialises in using public law strategically to address systemic disadvantage and achieve effective change. As part of SPLC, students work with the public law and human rights team at the law centre on a variety of projects that we would be unable to pursue without our students' support. Overall this year, 95 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



## Central England Law Centre Limited

### Trustees' annual report

#### For the year ended 31 March 2022

---

The Oak Foundation and Therium Access provided core funding for our work in Birmingham, providing a secure base for our other projects and legal aid contract services. The funding provided by Therium Access ends in March 2022 and so we will be seeking alternative core funding to support our work in Birmingham.

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 and has included the development of an online Migrant Advice Portal. The tool aims to build improved referral pathways between immigration advice organisations and generalist organisations supporting migrants; generate better insight into the needs of migrants and service provision; ensuring better communication and sharing of knowledge across all migrant organisations/services.
- Partnerships with local frontline organisations Hodge Hill Hub and ASIRT have enabled us to provide benefits, immigration and community care advice to their most vulnerable clients.
- With support from the Law Centres Network and the Public Law Project until January 2022 we were 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

- This year we continued to be supported by the Access to Justice Foundation's Litigants in Person funding stream to enable us to run an employment rights helpline and casework service for the residents of Coventry, Birmingham and surrounding areas. This funding will end in September 2022.
- We continued to receive Urban Action Innovation Funding under MiFriendly Cities until May 2022, a 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 continue to lead 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 more than 2,000 children with citizenship or leave to remain applications.

## Central England Law Centre Limited

### Trustees' annual report

#### For the year ended 31 March 2022

---

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

During 2021/22 we responded to over 7500 enquiries for legal advice and assisted over 5,800 people across our two offices with new law related issues. We continued to work on 1,242 cases that had been started in previous years

In Coventry we started 1554 new legal cases and provided an advice-only service to a further 2,078 clients. We concluded a further 875 cases that had been opened in previous years and continued to work on 524 cases which had been opened in previous years which had not yet reached their conclusion.

In Birmingham we started 388 new legal cases and provided an advice-only service to a further 1,793 clients. We concluded a further 235 cases which had been opened in previous years and continued to work on 132 cases opened in previous years which had not reached a conclusion.

We were unable to provide advice to 1,321 people with enquiries for areas of social welfare law that we cover as we did not have capacity in our legal teams to respond (this is an average of 23% of all enquiries).

#### Key outcomes for clients achieved in 2021–22

- We represented 500 people at social security tribunals to challenge refusals of welfare benefits awards and were successful in 89% of cases.
- This resulted in an increase in the income of our clients by over £4.1 million of weekly income and backdated payments secured for clients over a 12-month period.
- 691 people were given advice about their housing rights and 206 families were directly prevented from being evicted through our advice and representation.
- 330 vulnerable migrants had their immigration status resolved and prevented from living in destitution. A further 926 vulnerable people were supported to apply for the EU settlement scheme.
- 762 people received specialist employment advice including about furlough, unpaid wages and unfair dismissal. We secured £412,140 for people in employment-related settlement agreements
- We advised 300 victims of domestic violence on their rights to help them make an informed choice about their options.
- We advocated for 133 people with health and social care needs to receive the services and support they were entitled to.

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

## Key highlights from 2021–22

- We reopened our offices to the public in Coventry and Birmingham in January 2022. We operate from our premises in St Patricks Road, Coventry; and Warwick Road, Birmingham Monday to Fridays. People can access us in person by calling into reception, by telephone, by email, or via one of our partner organisations. We also offer home visits and continue to host virtual meetings for those clients who are unable to attend our premises, and we visit partner organisations to see clients where appropriate.
- Wound down our COVID-19 helpline, launched in April 2020 for partner organisations enabling direct access to the expertise and knowledge of legal specialists within the law centre and, where possible, equipping them with the information they need to resolve problems themselves. Between April 2020 and July 2021, we received 639 enquiries and referrals via the helpline. Referrals were received from 26 different organisations, including four schools and Coventry City Council, the latter of which comprised more than a third of all calls.
- Central England Law Centre continues to run EUSS application drop-in clinics at locations across Coventry. The law centre backs campaign to lift June deadline for EU Settlement Scheme and submits more than 300 applications in the weeks leading up to the 30 June 2022 deadline.
- In partnership with Grapevine, Coventry City Council Children's Services and Citizen, the law centre publishes its findings from Ignite, the five-year programme to explore how to redesign public sector support to help people earlier and build resilience in those least able to cope.
- UK's first children's citizenship ceremony takes place in Coventry, supported by Kids in Need of Defence UK, a collaboration of charities led by Central England Law Centre which aims to secure the immigration status of the estimated 215,000 undocumented children in the UK.
- MiFriendly Cities evaluation report published. The work done by Central England Law Centre is highlighted as having a lasting impact with over 100 migrant children granted indefinite leave to remain in the UK.
- Developed our rights in the community strategy to help us achieve our vision of a fairer, more just society in which an understanding of rights and their power is embedded within communities.
- The law centre is contacted by the Domestic Abuse Commissioners following distribution of the law centre briefing on Domestic Violence and Immigration with a request to discuss our work with migrant domestic violence survivors. Members of the immigration team attended the meeting during which they discussed our work in Coventry and Birmingham, gaps in the legislation and other issues of concern.
- As part of a campaign spearheaded by Asylum Matters to oppose the Nationality & Borders Bill members of the immigration & asylum team meet with Taiwo Owatemi MP. Following the successful passage of the Bill, Central England Law Centre joined more than 60 organisations across the West Midland, including Coventry City Council and Coventry Refugee and Migrant Centre (CRMC), in opposition to its passage.
- The law centre and Grapevine host an event bringing together 37 organisations across Coventry for an urgent conversation about poverty. The Poverty Alliance is formed with the aim of initiating discussion about poverty in the city and identifying practical activity and initiatives for frontline services.

## Trustees' annual report

### For the year ended 31 March 2022

---

- As Russia invades Ukraine, law centre staff enrol in Ukraine Volunteer Advice Project, a free service run by volunteer legal professionals with immigration and asylum expertise, connecting Ukrainian citizens in need of free legal advice on UK immigration, visas, and asylum with qualified and regulated lawyers.
- Kids in Need of Defense UK supports the 2000th child to secure their immigration status as part of its mission to support the estimated 215,000 children in the UK that are undocumented.

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

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

## Central England Law Centre Limited

### Trustees' annual report

#### For the year ended 31 March 2022

---

- Average annual income per head is £15,363, compared with an average of £21,609 nationally.

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

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

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

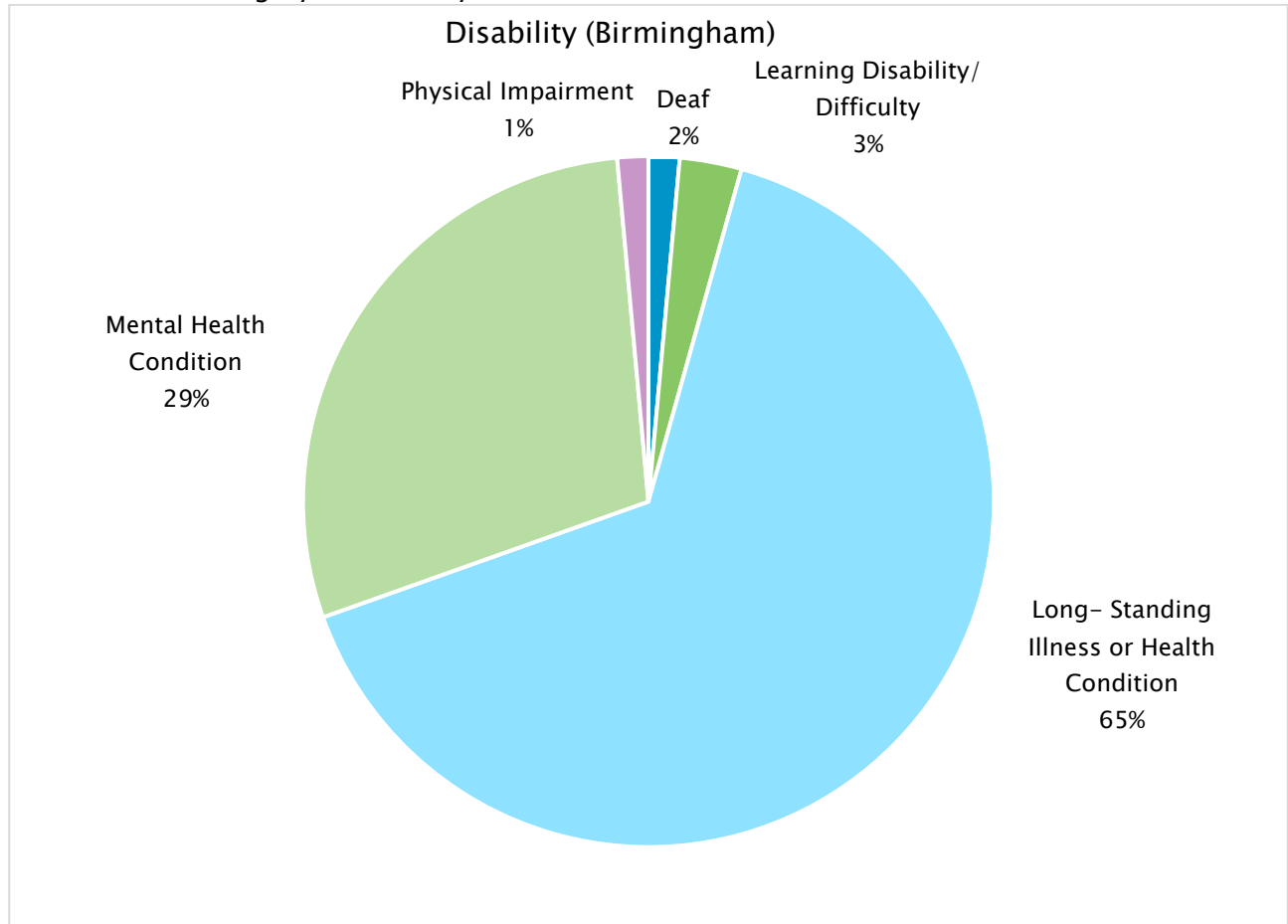
We ensure our services reach those who are most vulnerable by working in partnership with other agencies and community organisations to reach those people living in the most deprived areas of the city and those who are disabled or have physical or mental health problems. We prioritise cases where discrimination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

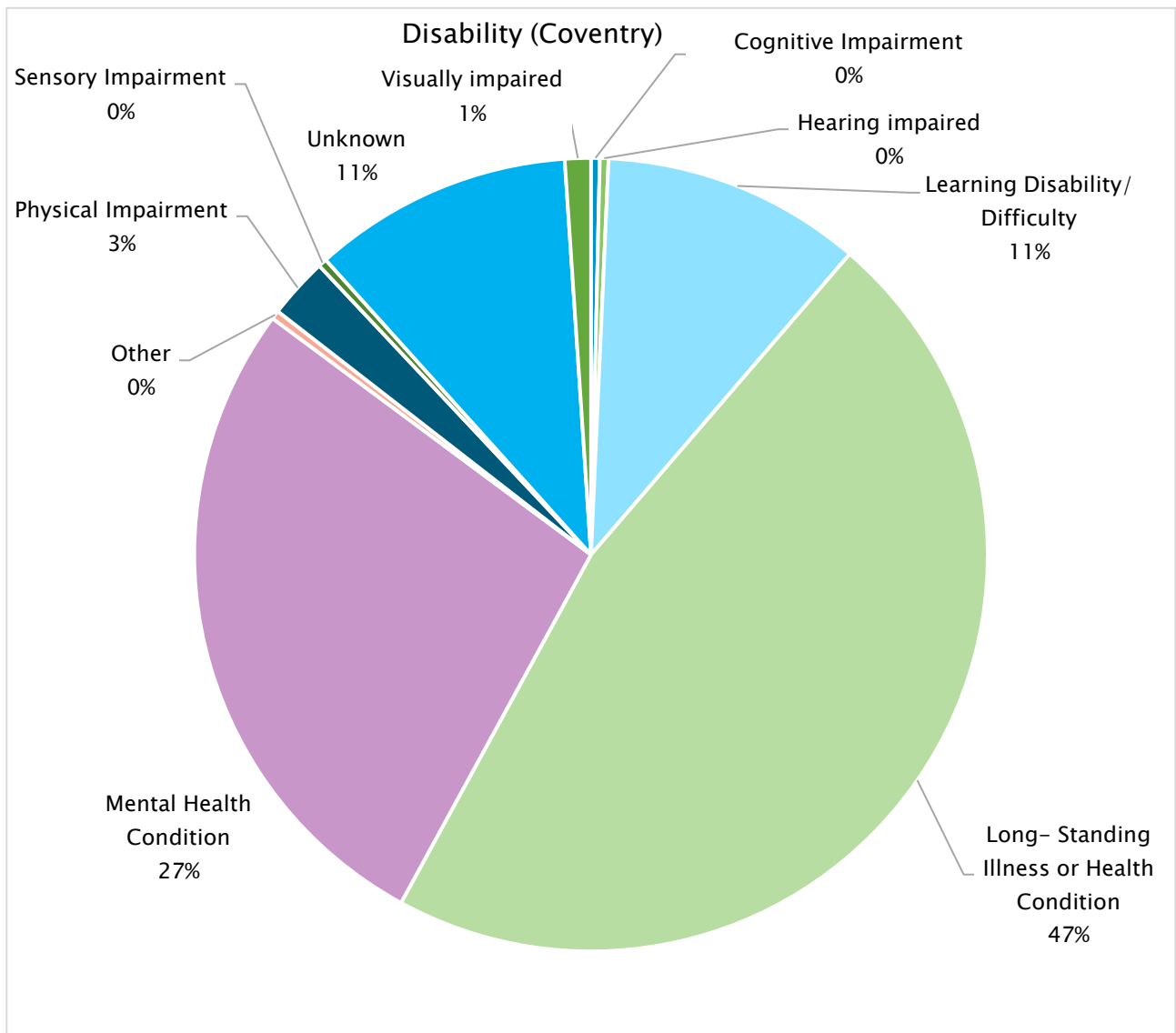
We are able to collect demographic information from clients that we provide a full casework service to and some clients that we provide one-off advice to (it is often easier to do this in formal settings like at a Housing Duty Scheme at court or an in-person, drop-in clinic). The data presented here 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 2021/22 are set out on the following pages.

**Disability:**

**19% (69) of Birmingham clients declared a disability or serious/long term illness.** Of the 69 clients in Birmingham who declared they had a disability; the following pie chart shows the proportion of clients in each category of disability.

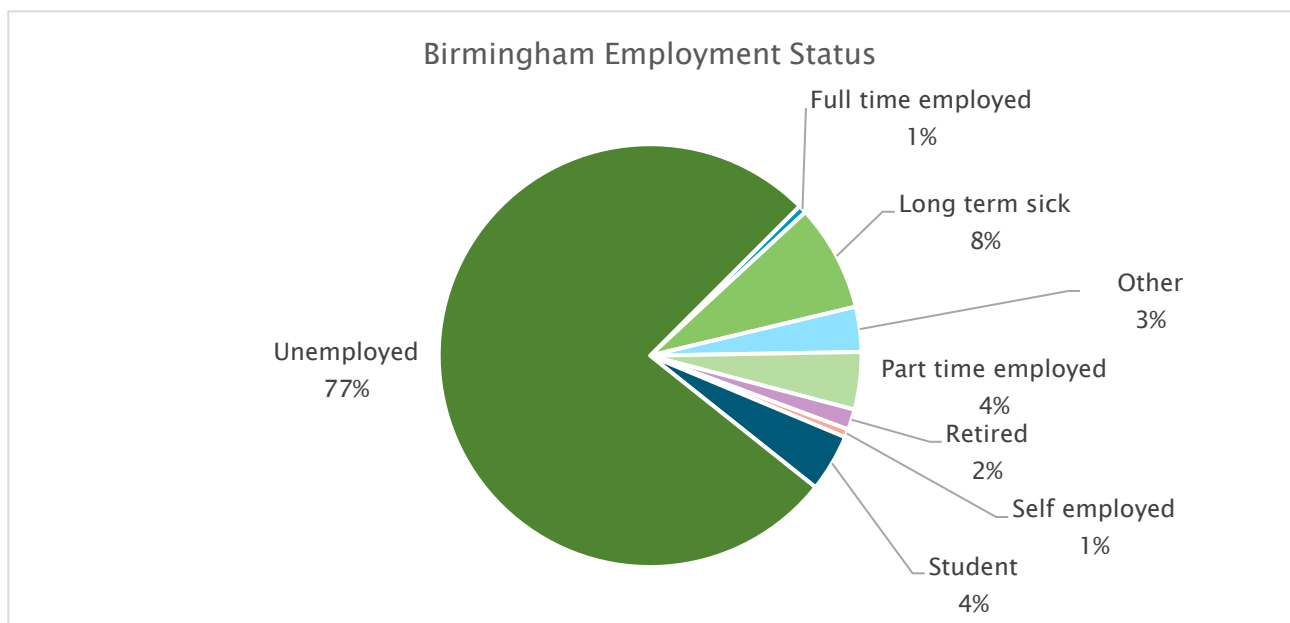
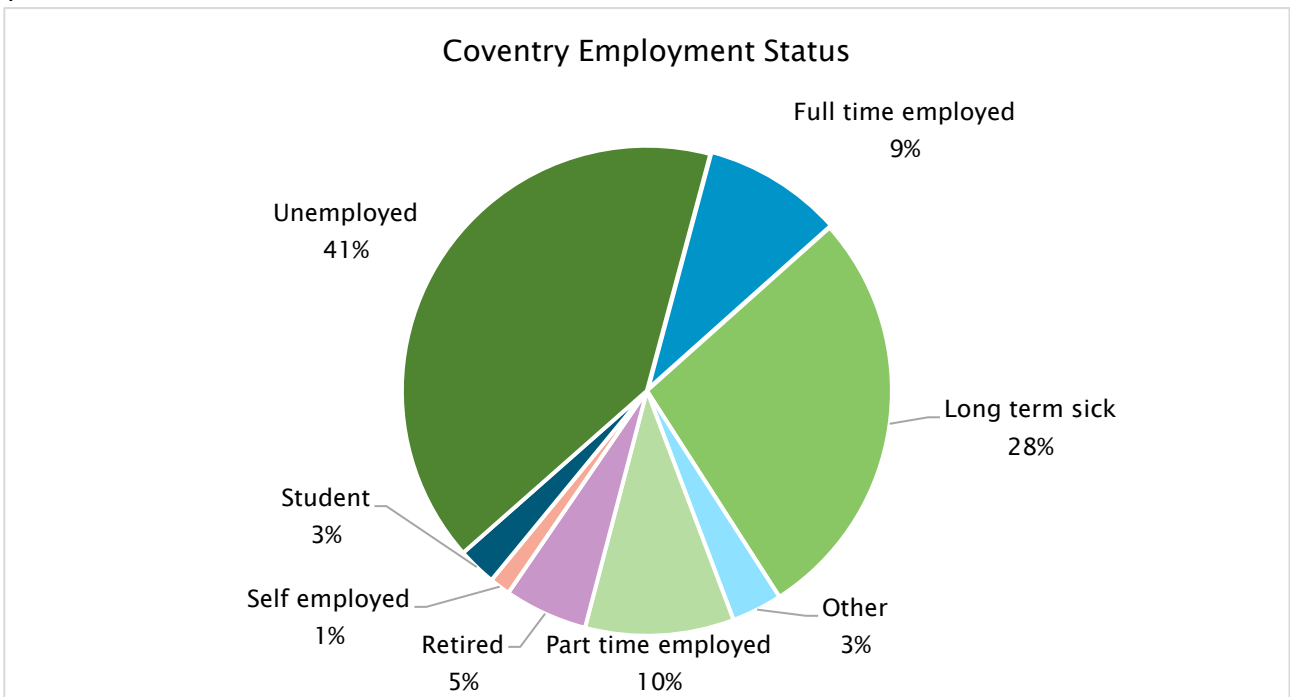


30% (283) of Coventry clients declared a disability or serious/long term illness. Of the 283 clients in Coventry who declared they had a disability; the following pie chart shows the proportion of clients in each category of disability.



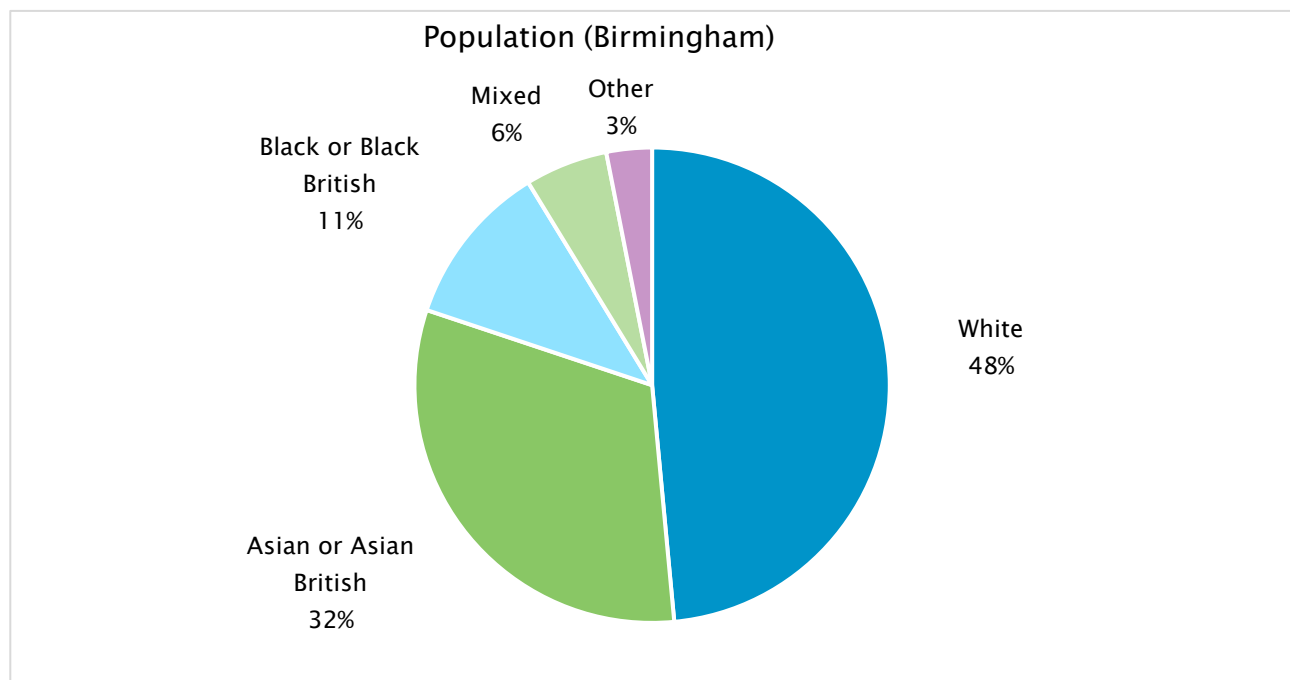
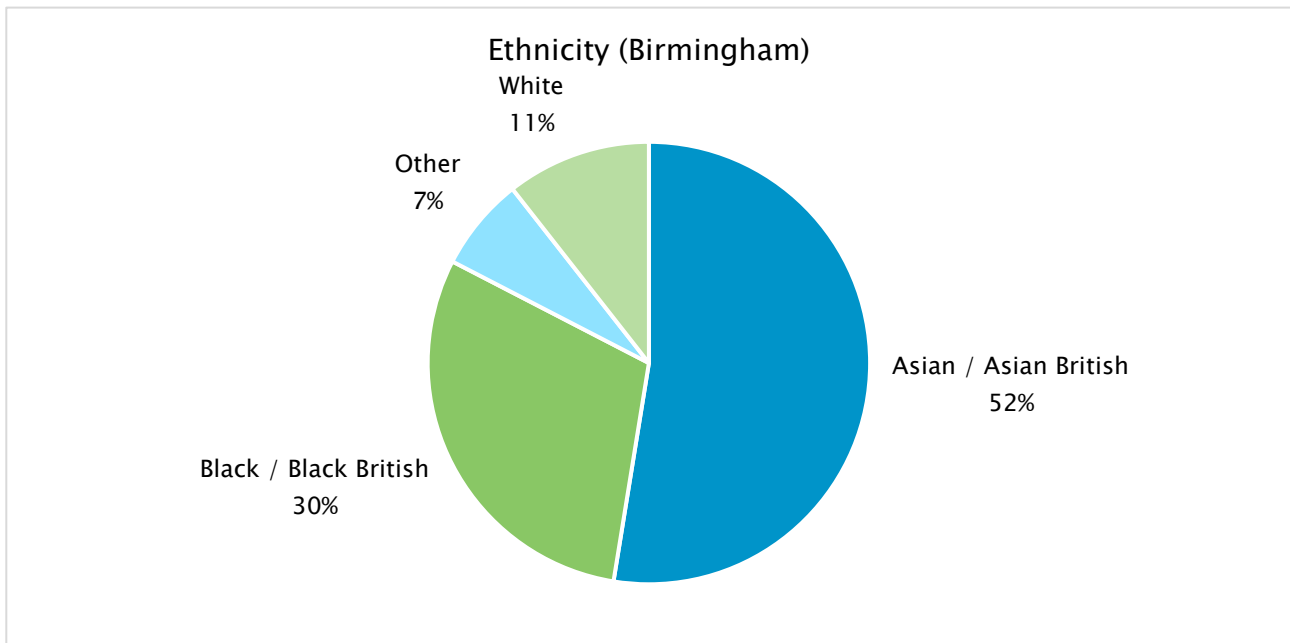
**Employment status:** Though the age groups most likely to be economically active form the largest proportion of our client base, the majority (75%) of our clients were not working at all (either unemployed or on long term sick leave) and only a small number (5.9%) were in full-time employment.

The age-employment profile of Birmingham clients skews marginally younger than in Coventry, but is even more strongly biased (77%) 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.





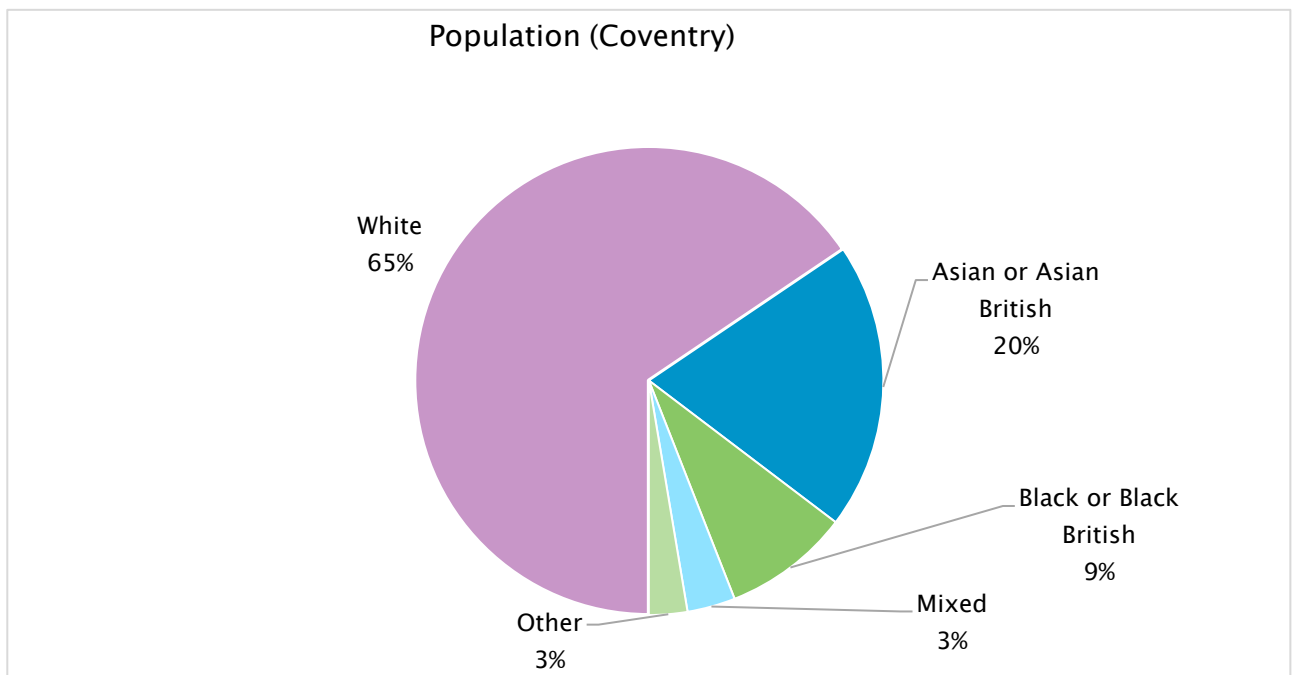
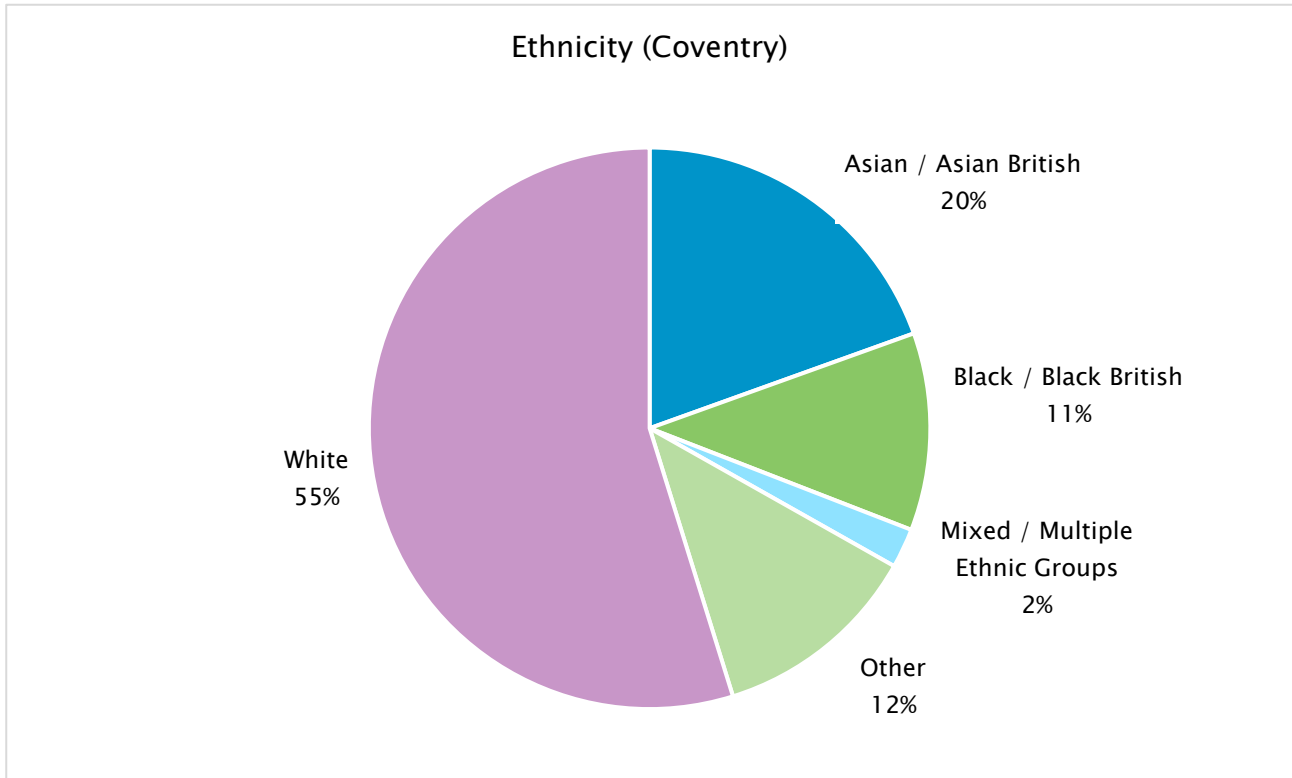
**Ethnicity:** The ethnicity profile of clients is shown below<sup>1</sup> and represents a significant (71%) use of our services by minority ethnic groups. Both Coventry and Birmingham locations see a higher overall proportion of non-white service users than is represented in the local population<sup>2</sup>.



---

<sup>1</sup> Only declared ethnicities are shown. 19% of Birmingham clients and 35% of Coventry clients did not declare an ethnicity.

<sup>2</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.



## Financial review

### Financial stability

In 2021/22 CELC reported an overall net increase in unrestricted funds of £497,184 (after actuarial gains relating to the West Midlands Pension Fund). General funds as at 31 March 2022 were £1,066,704 which is marginally above 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 2021/22, 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 2021/22 was therefore lower than we originally budgeted and slightly lower than the financial year 2020/21, 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 the last pre-pandemic year 2019/20, mainly to respond to the challenges of remote working. Our IT costs have increased significantly since March 2020 and we have 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 several 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 2021/22. This support from our funders means we can continue our work with partner organisations beyond 2021/22 and have further designated £50,000 of our unrestricted funds in addition to the original designation of £150,000 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.

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

In 2021/22, the trustees allocated an additional £50,000 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 2021/22 the trustees undesignated £600,000 that was originally allocated to cover any liability that might arise due to a defined benefit pension crystallisation risk. (See note 17a to the financial statements). Having taken external legal advice and having modelled the possible outcome scenarios from such a debt crystallisation, the Trustees deemed the reserve unnecessary.

The Coventry offices of CELC are occupied under a sub-lease with the primary lessee of the property. It came to the attention of the Trustees in the year that the primary lessee was uncertain as to whether they would renew the existing lease with the ultimate landlord. The lease agreement provides for the property to be returned to its original condition as at the time the agreement was entered into. A schedule of dilapidations was commissioned by the primary lessee. CELC's share of the dilapidations schedule is currently an estimated cost of £148,000. In accordance with recommended practice, this amount has been recognised as an expense in the current year and is recorded as a provision for liabilities and charges in the balance sheet. With uncertainty as to the final future value of the dilapidations, the Trustees decided to allocate a further £32,000 to a designated fund to provide for any increase in the cost. Should the lease be terminated, CELC will need to move to new premises, either leasehold or freehold. The Trustees have allocated £415,000 to the Property Security designated fund to cover the costs of a deposit payment on a suitable premises should a freehold property be acquired, legal fees and relocation costs.

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

## Fundraising

The charity received £72,568 from unrestricted donations. Two significant donations were received, £50,000 was donated by Gowlings Solicitors from their un-allocated client funds and Crispin Passmore Consulting Ltd donated £20,105 as two donations. The charity's main funding sources are grants and contracts. The charity does not employ professional fundraisers and does not seek to fundraise from the general public.

## Pension fund

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

## Public Benefit

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

## Principal risks and uncertainties

The Board of Trustees routinely reviews the major risks to which the charity is exposed, and a risk register 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 the changes to working arrangements necessitated by the pandemic and they have proven resilient.

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

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

The other key risk to financial stability is the liability currently arising from membership of the West Midlands Pension Fund. Trustees took the decision in May 2007 to close the pension scheme to new members and to manage this risk. Alternative pension provision was established. The trustees have taken account of the guidance issued by the Charity Commission on Charity Reserves and Defined Benefit Pension Schemes. This highlights that, in considering the position in relation to the FRS 102 valuation, trustees should take account that the deficit does not crystallise immediately but must consider the impact on future cash flow due to increased contributions reducing the deficit. In this context, the Trustees have corresponded with the West Midlands Pension Fund and have built the future planned contribution rates into their cash flow projections. The Trustees are satisfied that planned increases can be accommodated and will not therefore impact negatively on future operational plans and budgets. No deficit recovery payments are due to be paid in the period April 2022 – March 2023. In November 2020 Coventry City Council agreed to provide a pension guarantee to the Central England Law Centre and subsequently a “Guarantee document” and memorandum of understanding has been agreed between the Law Centre, the West Midlands Pension Fund and Coventry City Council. The guarantee provides protection to the Central England Law Centre in the event of pension debt crystallisation.

### Reserves policy and going concern

The trustees have reviewed the charity’s need for reserves in line with the guidance issued by the Charity Commission and have developed a risk-based reserves policy. The policy is reviewed annually or more frequently, there being a change to the perceived associated risk. The objective of the policy is to strengthen CELC’s financial resilience whilst avoiding holding funds unnecessarily. Restricted fund balances at the balance sheet date amount to £485K, these are utilised only in accordance with the funders stated objectives and are not available for the charity’s general use. The trustees have allocated £1,004K to designated funds (Outlined above) within the free reserves to provide for future expenditure and liabilities to leave a general fund balance £1,067K before the pension reserve as of 31<sup>st</sup> March 2022.

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

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

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

This is based on the following assessment:

- The 2021–22 financial statements show CELC general funds of £1,067K which is marginally in excess of the approved reserves range as outlined above.
- The balance sheet shows net assets of £2,059K net of the defined benefit pensions scheme liability.
- In March 2022 the trustees approved the budget for 2021–22 showing a deficit of £529K, of which £168K applies to unrestricted funds, 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 £1,500K at the month end 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.

## 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

In April 2022, we launched a new 5-year strategy – Rights in the Community. This strategy is underpinned by our belief that the cultures, systems and behaviours that reinforce unfairness, disadvantage and inequality need to be changed. Our vision is a fairer, more just society in which an understanding of rights and their power is embedded within the community. We believe that only by activating and embedding rights in communities can this be achieved, ensuring early and preventative action is taken to protect the rights of socially and economically disadvantaged individuals and communities. The strategy focuses our skills and resources in three strategically key areas:

- **People:** The key driver for our approach and the biggest volume of our activity is our work with individuals to ensure more people are protected by their rights and to build their understanding of where they can use legal rights to protect themselves in the future;
- **Partnerships:** We form close partnerships with other community-focused services to help to place legal rights at the heart of their work and to activate a rights-based approach in their interactions with service users, blending our work with theirs so that together we can offer more holistic support to people;
- **Policy:** We identify and share evidence of strategic issues, service gaps and patterns in clients' needs and use it as the basis for our strategic action and influencing activity; and we take

strategic action at a local, regional and national level to influence change in policy and legislation, ranging from strategic litigation, membership of local statutory steering groups, boards and advisory bodies through to the work of the Strategic Public Law Clinic, work on national campaigns and responding to calls for evidence.

In implementing this new strategy we will be focussed on the following:

Under our People pillar:

- Understand better the legal needs of our community so we can focus our resources most effectively – e.g., undertake local qualitative legal needs research with the University of Warwick and build better connections with local grassroots organisations to be able to respond to the issues that matter most to people.
- Develop our capacity internally to be able to offer more holistic support to clients. This will include developing new ways of delivering services in multi- disciplinary teams to better target those who most need our help.

Under our Partnerships pillar:

- Building stronger partnerships with organisations who are delivering frontline services to people in the community from food banks, to statutory organisations and working with them to help them better identify legal needs at the earliest opportunity to tackle the cost of living crisis.

Under our Policy pillar:

- Implement a new enquiries system to better capture demand and need for legal advice and feed this into service development plans and policy influencing work. 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.

We will also be prioritising the following activities to ensure the continued strength of the organisation:

- Continue our development as a learning organisation by embedding our key learnings into all new project development activities.
- Recognising the importance of our most important asset being our current and future staff, we will undertake a workforce review over the next 3 years to ensure best practice in recruitment, retention, and progression.
- Raise additional funding to expand KIND offer to reach more undocumented children (we have a waiting list) by employing more supervising solicitors to work with pro bono solicitors from participating corporate law firms.



## Central England Law Centre Limited

### Trustees' annual report

#### For the year ended 31 March 2022

---

- Continue to ensure successful delivery of the Legal Aid Agency contracts that we hold so that individuals are able to access justice. We remain committed to challenging unfair policies and practices in the courts.
- Developing our advice and information service to survivors of domestic abuse in Birmingham, continuing to seek opportunities to partner with Birmingham Solihull and Women's Aid and others supporting survivors of domestic abuse.
- Seek funding to expand our offer in immigration, family and employment law which are the three most in demand services currently. We will also continue to see core funding support for our work in Birmingham.

## 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. Elayne Hill (Sue Bent to March 2021), 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 68 staff, of whom 44 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. Graham Moffat and Jean McHale 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 Director Service Development and Impact, Claire Stern, has been elected to serve on the Executive Committee of the Law Centres' Network.

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

## Central England Law Centre Limited

### Trustees' annual report

#### For the year ended 31 March 2022

---

- 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 2022 was 8 (2021: 9). 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 25 October 2022 and signed on their behalf by

Keith Wilding  
Chair

## Independent auditor's report

To the members of

Central England Law Centre Limited

---

### Opinion

We have audited the financial statements of Central England Law Centre (the 'charitable company') for the year ended 31 March 2022 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 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

### Basis for opinion

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

### Conclusions relating to going concern

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

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

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

## Independent auditor's report

To the members of

Central England Law Centre Limited

---

### Other Information

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

We have nothing to report in this regard.

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

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

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

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

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

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

### Responsibilities of trustees

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

## Independent auditor's report

To the members of

### Central England Law Centre Limited

---

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

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

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

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

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

## Capability of the audit in detecting irregularities

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

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

## Independent auditor's report

To the members of

### Central England Law Centre Limited

---

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

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

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

14 December 2022

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 2022

	Note	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
<b>Income from:</b>							
Donations	2	72,568	600	<b>73,168</b>	8,987	600	9,587
Charitable activities							
Legal and other advisory services	3	948,112	2,538,768	<b>3,486,880</b>	902,802	2,825,378	3,728,180
Investments		528	-	<b>528</b>	1,281	-	1,281
Other		13,323	-	<b>13,323</b>	17,481	-	17,481
<b>Total income</b>		<b>1,034,531</b>	<b>2,539,368</b>	<b>3,573,899</b>	<b>930,551</b>	<b>2,825,978</b>	<b>3,756,529</b>
<b>Expenditure on:</b>							
Charitable activities	4						
Legal and other advisory services		888,044	2,580,965	<b>3,469,009</b>	475,030	2,994,233	3,469,263
<b>Total expenditure</b>		<b>888,044</b>	<b>2,580,965</b>	<b>3,469,009</b>	<b>475,030</b>	<b>2,994,233</b>	<b>3,469,263</b>
<b>Net income for the year</b>	6	146,487	(41,597)	<b>104,890</b>	455,521	(168,255)	287,266
Transfers between funds		(24,303)	24,303	-	(72,231)	72,231	-
<b>Net income / (expenditure) before other recognised gains</b>		122,184	(17,294)	<b>104,890</b>	383,290	(96,024)	287,266
Actuarial gains on defined benefit pension schemes	22	375,000	-	<b>375,000</b>	(290,000)	-	(290,000)
<b>Net movement in funds</b>		497,184	(17,294)	<b>479,890</b>	93,290	(96,024)	(2,734)
<b>Reconciliation of funds:</b>							
Total funds brought forward		1,077,303	502,047	<b>1,579,350</b>	984,013	598,071	1,582,084
<b>Total funds carried forward</b>		<b>1,574,487</b>	<b>484,753</b>	<b>2,059,240</b>	<b>1,077,303</b>	<b>502,047</b>	<b>1,579,350</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 2022

	Note	£	2022 £	£	2021 £
<b>Fixed assets:</b>					
Tangible assets	11		-		907
<b>Current assets:</b>					
Work in progress	12	887,300		887,396	
Debtors	13	1,316,596		1,253,014	
Cash at bank and in hand		1,167,093		1,638,542	
			<u>3,370,989</u>	<u>3,778,952</u>	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	14	(823,749)		(1,383,509)	
			<u>2,547,240</u>	<u>2,395,443</u>	
<b>Net current assets</b>					
			<u>2,547,240</u>	<u>2,396,350</u>	
<b>Total assets less current liabilities</b>					
Defined benefit pension scheme liability	22	(488,000)		(817,000)	
<b>Total net assets</b>			<u><u>2,059,240</u></u>	<u><u>1,579,350</u></u>	
<b>The funds of the charity:</b>	17a				
Restricted income funds			484,753		502,047
Unrestricted income funds:					
Designated funds		995,783		947,978	
General funds		1,066,704		946,325	
Pension reserve		(488,000)		(817,000)	
			<u>1,574,487</u>	<u>1,077,303</u>	
<b>Total unrestricted funds</b>			<u>1,574,487</u>	<u>1,077,303</u>	
<b>Total charity funds</b>			<u><u>2,059,240</u></u>	<u><u>1,579,350</u></u>	

Approved by the trustees on 25 October 2022 and signed on their behalf by

Keith Wilding  
Chair

Central England Law Centre Limited

Statement of cash flows

For the year ended 31 March 2022

	Note	2022 £	£	2021 £	£
Cash flows from operating activities	18				
Net cash provided by / (used in) operating activities		(471,977)		63,542	
Cash flows from investing activities:					
Interest received		528		1,281	
Purchase of fixed assets		-		-	
Net cash provided by / (used in) investing activities		528		1,281	
Change in cash and cash equivalents in the year		(471,449)		64,823	
Cash and cash equivalents at the beginning of the year		1,638,542		1,573,719	
Cash and cash equivalents at the end of the year	19	1,167,093		1,638,542	

**1 Accounting policies**

**a) Statutory information**

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

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

**b) Basis of preparation**

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

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

**c) Public benefit entity**

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

**d) Going concern**

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

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

**e) Critical estimates and judgements**

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

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

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

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

**f) Income**

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

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

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

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

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

Other income is included when receivable.

**g) Interest receivable**

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

**1 Accounting policies (continued)**

**h) Fund accounting**

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

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

**i) Expenditure and irrecoverable VAT**

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

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

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

**j) Allocation of support costs**

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

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

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

**k) Operating leases**

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

**l) Tangible fixed assets**

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

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

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

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

**m) Debtors**

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

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

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

**o) Client accounts**

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

**p) Creditors and provisions**

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

**q) Financial instruments**

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

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

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

**2 Income from donations**

	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
Gowlings Solicitor	50,000	–	<b>50,000</b>	–	–	–
Crispin Passmore Consulting Ltd	20,105	–	<b>20,105</b>	–	–	–
Small Donations	2,463	600	<b>3,063</b>	8,987	600	9,587
	<u>72,568</u>	<u>600</u>	<b><u>73,168</u></b>	<u>8,987</u>	<u>600</u>	<u>9,587</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 2022

## 3 Income from charitable activities

			2022			2021
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Coventry City Council – grant	–	439,726	<b>439,726</b>	–	439,726	439,726
Therium	–	25,000	<b>25,000</b>	–	25,000	25,000
The Oak Foundation	–	96,000	<b>96,000</b>	–	96,000	96,000
Unbound Philanthropy	100,000	–	<b>100,000</b>	–	–	–
Legal Aid Agency	473,870	–	<b>473,870</b>	555,062	–	555,062
Other profit costs	104,709	–	<b>104,709</b>	18,500	–	18,500
Income from liquidators	–	–	–	16,674	–	16,674
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	87,787
	–	9,016	<b>9,016</b>	–	9,016	9,016
The Legal Education Foundation – Justice First Fellowships	–	42,242	<b>42,242</b>	–	5,966	5,966
Early Action Neighbourhood Fund/Coventry City Council – Ignite Project	–	68,000	<b>68,000</b>	–	135,374	135,374
The Legal Education Foundation – the RIPPLE Project	–	22,923	<b>22,923</b>	–	36,525	36,525
Kids in Need of Defence	–	574,490	<b>574,490</b>	–	543,486	543,486
Voluntary Sector Consortium – Coventry Healthwatch	–	60,093	<b>60,093</b>	–	54,368	54,368
Coventry City Council – Syrian Families project	–	–	–	–	12,500	12,500
Allen & Overy – Volunteers	–	10,000	<b>10,000</b>	–	10,000	10,000
Smallwood Trust – Improving Financial Security of Women	–	52,041	<b>52,041</b>	–	37,762	37,762
Coventry City Council – MiFriendly Cities	–	9,017	<b>9,017</b>	–	24,851	24,851
Access Your Right To Care	–	455,684	<b>455,684</b>	–	603,634	603,634
Law Centres Network – EUSS Complex Cases Project	–	–	–	–	36,299	36,299
Coventry University	90,934	–	<b>90,934</b>	85,966	–	85,966
University of Warwick	65,132	–	<b>65,132</b>	62,870	–	62,870
Barrow Cadbury – Benefits Aware	–	–	–	–	300	300
Controlling Migration Fund	–	–	–	–	138,425	138,425
Red Cross – Families Together	–	16,250	<b>16,250</b>	–	19,638	19,638
Birmingham City University	113,467	–	<b>113,467</b>	103,730	–	103,730
Funder Plus	–	–	–	–	8,400	8,400
Coventry Building Society – Mental Health	–	30,000	<b>30,000</b>	–	25,000	25,000
Coventry City Council – EUSS Complex Cases Project	–	63,826	<b>63,826</b>	–	34,715	34,715
Access to Justice Foundation – Support for Litigants in Person	–	114,663	<b>114,663</b>	–	48,396	48,396
The Baring Foundation – Community Justice AMIF	–	26,667	<b>26,667</b>	–	–	–
	–	206,391	<b>206,391</b>	–	62,508	62,508
Birmingham City Council – EUSS Project	–	52,739	<b>52,739</b>	–	35,053	35,053
Law Centres Network – PLP Crisis Hubs	–	15,000	<b>15,000</b>	–	5,000	5,000
Esmee Fairbairn Foundation – COVID	–	–	–	40,000	–	40,000
Paul Hamlyn Foundation – COVID-19 Grant	–	–	–	20,000	–	20,000
COVID LCN Community Justice	–	–	–	–	15,000	15,000
Comic Relief – COVID-19 Recovery Funding	–	–	–	–	40,000	40,000
Access to Justice Foundation – Community Justice Fund	–	–	–	–	219,649	219,649
Coventry Building Society – Families	–	30,000	<b>30,000</b>	–	–	–
Ministry of Housing, Communities and Local Government RJHNC and Revenue Project	–	14,000	<b>14,000</b>	–	–	–
The Baring Foundation – Help & Information Pack	–	30,000	<b>30,000</b>	–	–	–
Community Justice Fund	–	60,000	<b>60,000</b>	–	–	–
<b>Total income from charitable activities</b>	<b>948,112</b>	<b>2,538,768</b>	<b>3,486,880</b>	<b>902,802</b>	<b>2,825,378</b>	<b>3,728,180</b>

## Notes to the financial statements

For the year ended 31 March 2022

## 4a Analysis of expenditure (current year)

	Charitable activities £	Governance costs £	Support costs £	2022 Total £	2021 Total £
Staff costs (Note 7)	1,369,358	-	678,311	2,047,669	1,973,528
Insurance	19,342	281	-	19,623	16,257
Publications	558	-	-	558	5,034
Subscriptions	19,214	-	-	19,214	15,300
Courses	22,011	-	-	22,011	8,707
Disbursements	3,769	-	-	3,769	6,025
Communications	20,084	-	-	20,084	16,572
Premises costs	-	-	246,680	246,680	93,881
Other costs	-	131	173,769	173,900	122,574
Depreciation and sundry equipment	-	-	8,112	8,112	47,009
Printing, postage and stationery	-	-	12,241	12,241	15,594
Travel	-	-	1,422	1,422	723
Bank charges	-	-	406	406	437
Grant funded activities	863,820	-	-	863,820	1,136,809
Client payments	17,500	-	-	17,500	-
Audit	-	12,000	-	12,000	10,813
	<u>2,335,656</u>	<u>12,412</u>	<u>1,120,941</u>	<u>3,469,009</u>	<u>3,469,263</u>
Support costs	1,120,941	-	(1,120,941)	-	-
Governance costs	12,412	(12,412)	-	-	-
<b>Total expenditure 2022</b>	<b><u>3,469,009</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>3,469,009</u></b>	
Total expenditure 2021	<u>3,469,263</u>	<u>-</u>	<u>-</u>		<u>3,469,263</u>

Grant funded activities is expenditure specific to projects. This includes £833,218 (2021: £1,024,492) 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 2022

4b Analysis of expenditure (prior year)

	Charitable activities £	Governance costs £	Support costs £	2021 Total £
Staff costs (Note 7)	1,457,140	-	516,388	1,973,528
Insurance	16,058	199	-	16,257
Publications	5,034	-	-	5,034
Subscriptions	15,300	-	-	15,300
Courses	8,707	-	-	8,707
Disbursements	6,025	-	-	6,025
Communications	-	-	16,572	16,572
Premises costs	-	-	93,881	93,881
Other costs	-	-	122,574	122,574
Depreciation and sundry equipment	-	-	47,009	47,009
Printing, postage and stationery	-	-	15,594	15,594
Advertising	-	-	-	-
Travel	-	-	723	723
Bank charges	-	-	437	437
Grant funded activities	1,136,809	-	-	1,136,809
Client payments	-	-	-	-
Audit	-	10,813	-	10,813
	<u>2,645,073</u>	<u>11,012</u>	<u>813,178</u>	<u>3,469,263</u>
Support costs	813,178	-	(813,178)	-
Governance costs	11,012	(11,012)	-	-
<b>Total expenditure 2021</b>	<b><u>3,469,263</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>3,469,263</u></b>

Grant funded activities is expenditure specific to projects. This includes £1,024,492 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 2022

5a Grant making (current year)

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

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

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

5b Grant making (prior 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	1,024,492	1,024,492

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	1,024,492

6 Net income for the year

This is stated after charging:

	2022 £	2021 £
Depreciation	907	1,251
Professional Indemnity Insurance	7,370	6,496
Operating lease rentals:		
Property	59,747	58,104
Other	4,735	4,586
Auditor's remuneration (excluding VAT):		
Audit	12,000	11,000
	12,000	11,000

Notes to the financial statements

For the year ended 31 March 2022

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

Staff costs were as follows:

	2022 £	2021 £
Salaries and wages	1,775,677	1,714,672
Redundancy and termination costs	-	8,162
Social security costs	162,208	158,972
Employer's contribution to defined contribution pension schemes	47,187	40,993
Operating costs of defined benefit pension schemes	58,725	44,300
Recruitment costs	3,872	6,429
	<u>2,047,669</u>	<u>1,973,528</u>

The redundancy and termination costs were settled and £8,162 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:

	2022 No.	2021 No.
£60,000 – £69,999	<u>1</u>	<u>1</u>

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 £195,380 (2021: £196,015).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2021: £nil). No charity trustee received payment for professional or other services supplied to the charity (2021: £nil).

No trustee received any remuneration in either year. No trustee expenses were paid for by the charity in the year (2021: £Nil for 0 trustee).

**8 Staff numbers**

The average number of employees (head count based on number of staff employed) during the year was 68 (2021: 67).

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

	2022 No.	2021 No.
Support staff	24	22
Legal and advisory staff	44	45
	<u>68</u>	<u>67</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 (2021: £nil).

Councillor Anthony Tucker and Councillor David Walsh are members of Coventry City Council.

As Cllr Tucker and Cllr Welsh do 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 £60,093 (2021: £54,368) from Voluntary Sector Consortium. At 31 March 2022 a balance of £nil (2021: £9,976) 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	66,202	69,361	23,724	<b>159,287</b>
Charge for the year	700	207	-	<b>907</b>
At the end of the year	66,902	69,568	23,724	<b>160,194</b>
<b>Net book value</b>				
<b>At the end of the year</b>	-	-	-	-
At the start of the year	700	207	-	907

All of the above assets are used for charitable purposes.

**12 Work in progress**

	2022 £	2021 £
Legal work performed but unbilled at year end	<b>887,300</b>	887,396
	<b>887,300</b>	887,396

**13 Debtors**

	2022 £	2021 £
Other debtors including disbursements	<b>800,019</b>	901,989
Prepayments and accrued income	<b>516,577</b>	351,025
	<b>1,316,596</b>	1,253,014

## 14 Creditors: amounts falling due within one year

	2022 £	Restated 2021 £
Trade creditors	404,887	441,352
Taxation and social security	41,216	44,388
VAT	201	10,835
Other creditors	15,000	240
Pension creditor	11,712	11,409
Accruals	91,325	145,376
Provision for liabilities and charges	148,000	-
Deferred income	111,408	729,909
	<b>823,749</b>	<b>1,383,509</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.

	2022 £	Restated 2021 £
Balance at the beginning of the year	729,909	844,695
Receipts in advance	1,989,325	1,937,068
Released to income in the year	(2,607,826)	(2,051,854)
Balance at the end of the year	<b>111,408</b>	<b>729,909</b>

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

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

## 16b Analysis of net assets between funds (prior 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>

## Notes to the financial statements

For the year ended 31 March 2022

## 17a Movements in funds (current year)

	At 1 April 2021 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2022 £
<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	-	30,000	(30,000)	-	-
Coventry Building Society – Families	-	30,000	(30,000)	-	-
Voluntary Sector Consortium – Coventry Healthwatch	1,666	60,093	(56,750)	-	<b>5,009</b>
Virgin Health – Anchor Centre	-	9,016	(9,016)	-	-
Early Action Neighbourhood Fund/Coventry City Council – Ignite Project	-	68,000	(68,000)	-	-
Kids in Need of Defense	500,606	574,490	(595,352)	-	<b>479,744</b>
Allen & Overy – Volunteers	-	10,000	(10,000)	-	-
Smallwood Trust – Improving Financial Security of Women	-	52,041	(52,041)	-	-
Coventry City Council – MiFriendly Cities	-	9,017	(9,918)	901	-
The Legal Education Foundation – the RIPPLE Project roll out phase	-	22,923	(22,923)	-	-
Coventry City Council – EUSS Compex Cases Project	-	63,826	(63,826)	-	-
The Oak Foundation – Access Your Right to Care	-	455,684	(455,684)	-	-
Access to Justice Foundation – Support for Litigants in Person	-	114,663	(114,663)	-	-
The Legal Education Foundation – Justice First Fellowships	-	42,242	(42,242)	-	-
The Baring Foundation – Community Justice Therium	(225)	26,667	(26,442)	-	-
Oak Foundation	-	25,000	(25,000)	-	-
Oak Foundation	-	96,000	(96,000)	-	-
Red Cross – Families Together	-	16,250	(16,250)	-	-
Asylum, Migration and Integration Fund	-	206,391	(229,323)	22,932	-
Birmingham City Copuncil – EUSS Project	-	52,739	(52,739)	-	-
Law Centres Network – PLP Crisis Hubs	-	15,000	(15,000)	-	-
Ministry of Housing, Communities and Local Government RJHNC and Revenue Project	-	14,000	(14,000)	-	-
COVID					
The Baring Foundation – Help & Information Pack	-	30,000	(30,470)	470	-
Community Justice Fund	-	60,000	(60,000)	-	-
<b>Total restricted funds</b>	<b>502,047</b>	<b>2,539,368</b>	<b>(2,580,965)</b>	<b>24,303</b>	<b>484,753</b>
<b>Designated funds:</b>					
Transformation fund	197,978	-	(88,371)	50,000	<b>159,607</b>
Legal Support fund	150,000	-	(30,824)	50,000	<b>169,176</b>
Pension fund	600,000	-	-	(600,000)	-
Kind Unbound Philanthropy Fund	-	-	-	100,000	<b>100,000</b>
Dilapidations fund	-	-	-	52,000	<b>52,000</b>
Property Security Fund	-	-	-	415,000	<b>415,000</b>
Cost of Living fund	-	-	-	100,000	<b>100,000</b>
<b>Total designated funds</b>	<b>947,978</b>	<b>-</b>	<b>(119,195)</b>	<b>167,000</b>	<b>995,783</b>
<b>General funds</b>	<b>946,325</b>	<b>764,998</b>	<b>(453,316)</b>	<b>(191,303)</b>	<b>1,066,704</b>
Coventry University	-	90,934	(90,934)	-	-
University of Warwick	-	65,132	(65,132)	-	-
Birmingham City University	-	113,467	(113,467)	-	-
<b>Total unrestricted funds</b>	<b>946,325</b>	<b>1,034,531</b>	<b>(722,849)</b>	<b>(191,303)</b>	<b>1,066,704</b>
<b>Pension reserve</b>	<b>(817,000)</b>	<b>329,000</b>	<b>-</b>	<b>-</b>	<b>(488,000)</b>
<b>Total funds including pension fund</b>	<b>1,579,350</b>	<b>3,902,899</b>	<b>(3,423,009)</b>	<b>-</b>	<b>2,059,240</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 £901 for the year (2021: £12,307).

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 £22,932 for the year (2021: £6,945).

In 2019/20 £220,000 was allocated to a designated reserve for a transformation programme as agreed by the Trustees. In 2021/22 the Trustees agreed to allocate a further £50,000 to increase capacity. The funds are expected to be spent over the period April 2020 – March 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 £100,000 has been designated by the Trustees to the Kind Unbound Philanthropy Fund. Previous grants from this funder have been restricted to the furtherance of the objectives of the KIND project. Although this grant is unrestricted, the Trustees have determined that it will be solely applied to KIND.

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. In 2021/22 the Trustees agree to increase capacity by designating a further £50,000 and extending the longevity of the project.

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. After a further detailed review and taking external legal advice, the Trustees were of the opinion that the likelihood of an immediately payable sum crystallising were remote and therefore reversed the previous designation.

The Coventry premises are occupied under a sub lease with the primary lessee of the property. It came to the attention of the Trustees in the year that the primary lessee was uncertain as to whether they would renew the existing lease with the landlord. The lease agreement provides for the property to be returned to its original condition as at the time the agreement was entered into. A schedule of dilapidations was commissioned by the primary lessee. CELC's share of the dilapidations schedule is an estimated cost of £200,000. Therefore the Trustees decided to allocate an equivalent sum to a designated fund to provide for such an eventuality. Should the lease be terminated, CELC will need to move to new premises, either leasehold or freehold. The Trustees have allocated £415,000 to the Property Security Fund to cover the costs of a deposit payment on a suitable premises should a freehold property be acquired, legal fees and relocation costs.

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

## 17b Movements in funds (prior year)

	At 31 March 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	-	25,000	(25,000)	-	-
Voluntary Sector Consortium – Coventry Healthwatch	-	54,368	(52,702)	-	1,666
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	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	24,374	24,851	(61,532)	12,307	-
The Legal Education Foundation – the RIPPLE Project roll out phase	50	36,525	(36,575)	-	-
Law Centres Network – 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)	-	-
	-	8,400	(8,400)	-	-
Access to Justice Foundation – Support for Litigants in Person	-	48,396	(48,396)	-	-
The Legal Education Foundation – Justice First Fellowships	-	5,966	(5,966)	-	-
The Baring Foundation – Community Justice Birmingham City University – contribution to cloud migration	9,736	-	(10,194)	458	-
Baring Foundation – Mother and Child Project Therium	-	-	-	-	-
	-	25,000	(25,000)	-	-
Oak Foundation	-	96,000	(96,000)	-	-
Barrow Cadbury – Benefits Aware	-	300	(300)	-	-
The Oak Foundation – Legal Advice Project	22,865	-	(22,865)	-	-
Red Cross – Families Together	2,057	19,638	(21,695)	-	-
Controlling Migration Fund	2,609	138,425	(141,093)	59	-
Asylum, Migration and Integration Fund	-	62,508	(69,453)	6,945	-
Birmingham City Copuncil – EUSS Project	-	35,053	(35,053)	-	-
Law Centres Network – PLP Crisis Hubs	-	5,000	(5,000)	-	-
COVID					
COVID LCN Community Justice	-	15,000	(15,000)	-	-
Comic Relief – COVID 19 Recovery Fund	-	40,000	(40,018)	18	-
Access to Justice Foundation – Community Justice Fund	-	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>

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 Subscription fund Advice Services Coventry	To support legal casework for people in Coventry A regular donation to pay for a subscription is made by an ex-employee Funding received to maintain a website for the advice centres in Coventry to make referrals to partner agencies
Coventry Building Society – Homelessness Prevention Project Coventry Building Society – Mental Health Project	Funding for housing advice to prevent Homelessness 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 The Legal Education Foundation – Justice First Fellowships Early Action Neighbourhood Fund/Coventry City Council – Ignite Project	Advice and casework for people that are homeless or insecurely housed Funding to support training contracts for social welfare lawyers A change programme in partnership with Grapevine to promote early action in two public services in Coventry
The Legal Education Foundation – the RIPPLE Project Kids in Need of Defense	A Public Legal Education Programme in the field of community care by working with groups of clients who have similar issues/needs Working with a consortium to establish a pro bono service for children to receive immigration advice
Voluntary Sector Consortium – Coventry Healthwatch The Baring Foundation – Mother and Child Project	To provide independent advocacy to people with health complaints throughout Coventry 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 Smallwood Trust – Improving Financial Security of Women Barrow Cadbury – Benefits Aware	A contribution to supporting student pro bono clinics A partnership with Women's Organisations in Coventry to provide more co-ordinated services for vulnerable women To deliver training and use social media to build an informed community of advisers and claimants
The Oak Foundation – Legal Advice Project Coventry City Council – Welfare Benefits Advisor Coventry City Council – MiFriendly Cities	Support to develop new housing and immigration legal advice services Additional funding to employ a Welfare Benefits Advisor To provide legal healthchecks to migrant communities with a focus on undocumented minors
Birmingham City University – contribution to Cloud Migration The Oak Foundation – Access Your Right to Care Law Centres Network – EUSS Complex Cases Project Legal Education Foundation – Maximising IT Red Cross – Families Together Postcode Lottery – Families Together	A one-off grant in support of moving our IT to the Cloud To transform access to justice for people with a learning difficulty To assist people with complex cases in securing EU settled status To engage a consultant to define our technology and IT needs To support refugees (and their families) applying for family reunion To offer legal advice to victims of modern slavery to enable them to regulate their immigration status
LCN Guardian Appeal Controlling Migration Fund	Funding to support Law Centres 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 The Baring Foundation – Community Justice	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 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 Therium	Support with Complex Case EUSS applications. Marketing of service. Training to frontline workers (particularly those working directly with vulnerable and at-risk nationals), organisations and groups across Coventry to raise awareness of EUSS. 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.

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

	2022	2021
	£	£
<b>Net income for the reporting period (as per the statement of financial activities)</b>	<b>479,890</b>	(2,734)
Depreciation charges	907	1,251
Interest receivable	(528)	(1,281)
Increase in work in progress	96	(95,078)
Decrease/(increase) in debtors	(63,582)	75,485
(Decrease)/increase in creditors	(559,760)	(235,101)
Increase/(Decrease) in pension scheme liability	(329,000)	321,000
<b>Net cash provided by / (used in) operating activities</b>	<b>(471,977)</b>	63,542

19 Analysis of cash and cash equivalents

	At 1 April 2021	Cash flows	At 31 March 2022
	£	£	£
Cash at bank and in hand	1,638,542	(471,449)	<b>1,167,093</b>
<b>Total cash and cash equivalents</b>	<b>1,638,542</b>	<b>(471,449)</b>	<b>1,167,093</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	
	2022	2021	2022	2021
	£	£	£	£
Less than one year	–	46,716	4,588	4,272
One to five years	–	116,634	9,361	10,989
Over five years	–	–	294	–
	–	163,350	<b>14,243</b>	15,261

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.

Notes to the financial statements

For the year ended 31 March 2022

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 £1.662 (2021: £1,587) were payable to the scheme at 31 March 2022 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 2022 was £20,166, of which employer's contributions totalled £13.120 and employees' contributions totalled £6,996. The agreed contribution rates for future years are 15% for employers and depending on salary 6.5%–8.5% for employees.

Principal Actuarial Assumptions	2022	2021
Discount rate for scheme liabilities	2.70%	2.00%
Rate of increase in salaries	4.20%	3.80%
Rate of increase of pensions	3.20%	2.80%

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

<i>Retiring today</i>		
Males	21.2	21.6
Females	23.6	23.9
<i>Retiring in 20 years</i>		
Males	22.9	23.4
Females	25.4	25.8

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

	2022 Expected rate of return	Value 2022 £'000	2021 Expected rate of return	Value 2021 £'000
Equities		1,981		1,640
Government Bonds		650		277
Other Bonds		–		107
Property		207		201
Cash/liquidity		118		166
Other		–		392
<b>Total market value of assets</b>	8.20%	<b>2,956</b>	8.00%	<b>2,783</b>
Present value of scheme liabilities – Funded		(3,444)		(3,600)
<b>Deficit in the scheme</b>		<b>(488)</b>		<b>(817)</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 2022 is £228,000 [2021: £452,000].

22 Pension commitments (continued)

	2022 £'000	2021 £'000
<b>Amounts recognised in the statement of financial activities:</b>		
Service cost	42	31
Net interest on the defined liability (asset)	17	11
Administration expenses	-	2
Total operating charge	<u>59</u>	<u>44</u>

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

	2022 £'000	2021 £'000
<b>Change in benefit obligations</b>		
Benefit obligation brought forward	3,600	2,842
Service cost	42	31
Interest cost	72	66
Change in financial assumptions	(192)	760
Change in demographic assumptions	(19)	(37)
Experience (gain) on defined benefit obligations	8	(36)
Contributions by scheme participants	7	7
Past service costs, including curtailments	-	-
Estimated benefits paid net of transfers in	(74)	(33)
Benefit obligation carried forward	<u>3,444</u>	<u>3,600</u>

	2022 £'000	2021 £'000
<b>Change in plan assets</b>		
Fair value of plan assets brought forward	2,783	2,346
Interest on assets	55	55
Return on assets less interest	172	397
Other actuarial gain	-	-
Administration expenses	-	(2)
Contributions by employer including unfunded	13	13
Contributions by Fund participants	7	7
Estimated benefits paid net of transfers in	(74)	(33)
Fair value of plan assets carried forward	<u>2,956</u>	<u>2,783</u>

The employer expects to contribute £4,166 in the year to 31 March 2023.

Five year history of experience adjustments

	2022 £'000	2021 £'000	2020 £'000	2019 £'000	2018 £'000
Benefit obligation at year end	3,444	3,600	2,842	2,878	2,822
Fair value of plan assets at end of year	2,956	2,783	2,346	2,369	2,198
Deficit	<u>(488)</u>	<u>(817)</u>	<u>(496)</u>	<u>(509)</u>	<u>(624)</u>