

Company number: 4149673

Charity number: 1087312

Central England Law Centre Limited

Report and financial statements
For the year ended 31 March 2019

Central England Law Centre Limited

Contents

For the year ended 31 March 2019

Reference and administrative information	1
Trustees' annual report	2
Independent auditor's report	25
Statement of financial activities (incorporating an income and expenditure account)	29
Balance sheet	30
Statement of cash flows	31
Notes to the financial statements	32

Central England Law Centre Limited

Reference and administrative information

For the year ended 31 March 2019

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)
J Jeffrey
C Christie
K Wilding
G Moffatt
Councillor D Welsh
Professor J McHale

Key management Personnel S Bent (Chief Executive)
E Hill (Head of Operations and Legal Practice)

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

Solicitors N/A

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 2019

The trustees (also known as directors) present their report and the audited financial statements for the year ended 31 March 2019.

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

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

Directors and trustees

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

Professor H Bahra (Chair)
J Jeffrey
C Christie
K Wilding
G Moffatt
Councillor D Welsh
Professor J McHale

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

Central England Law Centre Limited

Trustees' annual report

For the year ended 31 March 2019

activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

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

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

These are summarised in our statement of purpose:

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

We do this by:

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

In determining the strategic aims for the charity for 2018–21, trustees took account of a number of external influences and issues that are likely to affect potential services users of the Law Centre, as well as trends and developments which will affect organisational development.

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 development plan for 2018/19 therefore was to achieve these key objectives, while taking account of the strengths and weaknesses of the charity, as well as opportunities and threats that it faces in the medium term.

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

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

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

- Consolidating and strengthening our existing advice and representation services, and evolving and expanding these to meet the changing needs of our local communities;
- Strengthening the financial position of the organisation;
- Developing new services to meet identified gaps in provision;
- Seeking new ways to fund our services and finding new opportunities to use our expertise, with particular emphasis on prevention, early intervention and building legal capability;
- Maintaining a network of partnerships and relationships with other organisations that help us to reach those we seek to help and whose services complement ours and amplify our impact;
- Maintaining and developing our profile and reputation locally and nationally; and
- Using our strategic litigation capability to try to mitigate some of the negative impact on our client group.

The main activities that we have undertaken in pursuit of these aims during 2018/19 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 on improving our ability to reach the most vulnerable individuals and communities, and are undertaken to further our charitable purposes for the public benefit.

Service delivery

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

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

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

We primarily advise residents of Coventry and those who work in the city.

The areas of law covered under Legal Aid contracts are Housing, Community Care, Family, Asylum and Public Law. We rely heavily on funding from Coventry City Council and on an expanding range of other forms of funding to provide services.

We received £439,726 from Coventry City Council, which allows us to undertake work in Coventry that is not funded by the Legal Aid Agency. This amount has been reduced by 15% over a two year period, but it still supports 35% of our casework and continues to provide long term financial stability to our work in the city.

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

- We received funding from Coventry Building Society and from Whitefriars Housing. These sources of funding allowed us to continue our debt advice service, which has proved particularly valuable as increasing numbers of people have sought help with debt problems because of the impact of the economic recession. We employ two staff to do this work.
- Two advisers worked alongside the local authority's Children and Families First Team offering home visits to families identified by the local authority as in need of support. This takes our service direct to some of the most vulnerable households in the city and an independent evaluation has shown it to be making a positive impact.
- We have two people working in a collaborative partnership team of around 8 people from Coventry CAB and Coventry Refugee and Migrant Centre to support Syrian families to settle in the city.

Trustees' annual report

For the year ended 31 March 2019

- Funding from the Early Action Neighbourhood Fund (a collaboration of funders who have awarded us 5 years funding to catalyse a shift to early action within the public sector) is enabling us to run a project called Ignite. We have 4 staff and our partner in this work, Grapevine, has 3. They are all working inside two public services – housing management and children's services – to influence and shape the way these services are delivered for the future.
- Virgin Health provide funding for us to advise people at The Anchor Centre, a medical centre for those who are homeless or insecurely housed.
- We are leading a consortium funded by Paul Hamlyn Foundation, Unbound Philanthropy and Microsoft, which has established a pro bono service for children to receive immigration advice. It is called Kids in Need of Defense UK. It has so far helped around 100 children with citizenship or leave to remain applications.
- Funding from The Baring Foundation supported partnership work with an organisation called Astraea; to tackle issues raised for girls and women leaving care who are pregnant. Over a 2.5 year period, project staff worked with advocates in two localities to develop their skills and confidence in these fields of law and supported developing their relationships with a network of specialist public lawyers. The project also convened two expert reference groups made up of experts by profession, practice and experience to offer insights into what effective support for young women in this situation would look like.

An independent evaluation found considerable evidence of positive changes in practice on the part of individual advocates: increasing levels of confidence in both identifying potential breaches of legal rights and supporting clients to take action to address this.

The project has concluded but work with the Midlands expert reference group continues, and form part of our strategy to work preventatively and in partnership with others to seek change.

- The Legal Education Foundation funded a project called RIPPLE, which tested an approach to improving knowledge of the rights of individuals by working with them in groups. We worked with 60 people in 7 groups on issues of concern identified by the group members. We identified practical ways to use the law to tackle problems and, collectively, the groups tackled issues of day-care provision, learning disability annual health checks, and support for families with no recourse to mainstream benefits. An independent evaluation showed very positive impact on individual participants' legal capability and success in helping to resolve people's shared issues. It demonstrated some wider impact on public policy and emerging evidence of impact on the way that advocacy organisations work and their use of a rights-based approach.
- The Smallwood Trust is providing funding for a part-time post to facilitate partnership work between us and 4 women's organisations in Coventry and the UK Women's Budget Group (WBG) to develop and monitor a 3-year pilot programme to improve economic outcomes for women by providing joined up front line support. Action research will be undertaken to monitor the effectiveness of the pilot, including its return on investment.
- We received Urban Action Innovation Funding under MiFriendly Cities, a new Midlands wide partnership project led by Coventry City Council involving 11 partners including three city councils. As a delivery partner our contribution includes raising awareness of undocumented children's rights, as well as building legal capability and stability amongst refugees and migrants being supported by MiFriendly Cities partners.

Central England Law Centre Limited

Trustees' annual report

For the year ended 31 March 2019

- Finally, we are members of a consortium subcontracted by Here 2 Help to run the Healthwatch contract. The Law Centre is responsible for the operation of the Independent Complaints Advocacy Service and we have a specialist caseworker dealing with health complaints throughout Coventry.

Our partnership with both Coventry University and the University of Warwick, who both provide funding for supervision of their students to run advice clinics alongside our staff, continues, and this year 74 students have assisted in increasing our capacity in employment and immigration advice, as well as representing clients in disability benefit appeals

In Birmingham we are concentrating on building new services that are relevant for the local community and for other migrant communities within the inner city.

We offer an accessible, open door service for local community advice work:

- Benefits/Debt basic advice work (form filling, phone calls, signposting).

We take referrals from other agencies across the city for specialist legal advice and representation:

- Migrants rights (access to support and accommodation under s17, s21, s4, asylum support etc)
- Immigration advice and representation
- Community Care casework
- Public law challenges
- Benefits Upper Tribunal challenges
- Debt County Court Representation; Debt Relief Orders and Bankruptcies

During 2018/19 we began a phase of expansion in our capacity.

- We expanded our relationship with Birmingham City University to run immigration advice clinics in addition to the employment advice clinics we operate with their students.
- The Oak Foundation awarded three years funding to support our expansion into providing Immigration and Housing advice. This enabled us to employ two additional solicitors and to successfully bid for new legal aid contracts during 2018. The focus of our work is on preventing homelessness and destitution. The Oak funding also supports our capacity to undertake strategic litigation.

We received new funding for work on various projects:

- Barrow Cadbury awarded funding to support the development of Benefits Aware: a programme of training and regular support via webinars and mailings for front line staff in organisations whose client group is being affected by Welfare Reform. We're using social media to reach claimants and make them aware of the change, and our goal is to build a community of claimants and advisers who are able to navigate the changes.

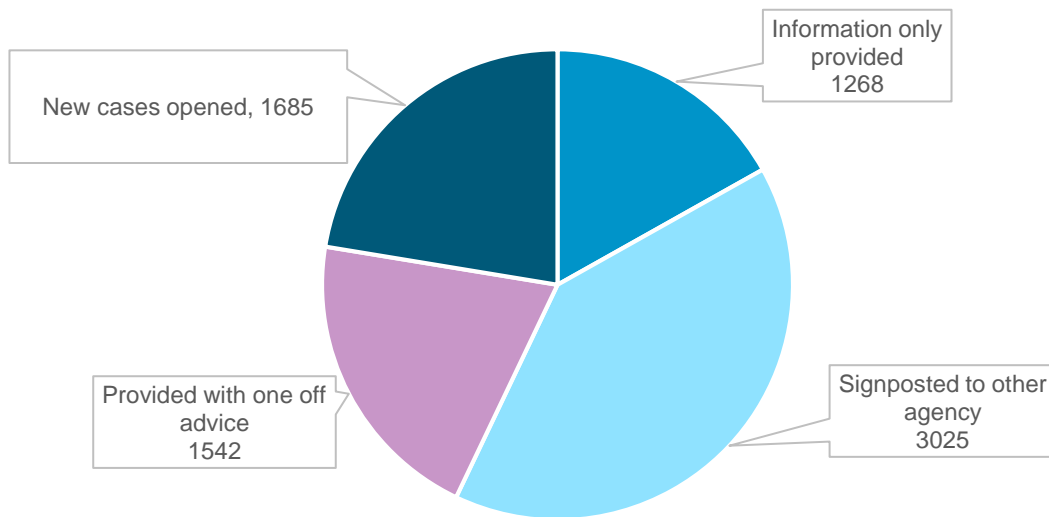
- We also received funding in partnership with Red Cross to provide holistic end-to-end support to 50 refugees (and their families) applying for family reunion. The project was funded initially for 12 months and is a pilot project.
Our aim is to train and support volunteers who will assist the applicants with their family reunion claims, the volunteers will ideally have experience of the process themselves.

While expanding, we continued the work already established in Birmingham:

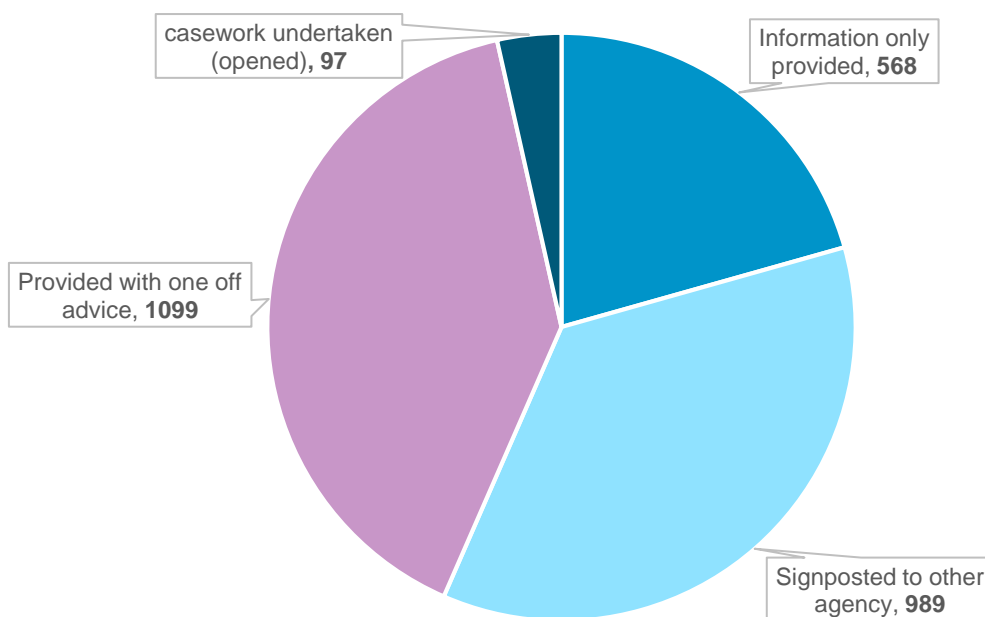
- We renewed legal aid contracts in Community Care; we access legal aid funding for public law challenges through our regional legal aid contract, and we also provide legal aid funded services to clients who wish to appeal decisions made by the first tier benefits tribunal.
- We continued to offer outreach benefits and debt clinics at SIFA Fireside, who support homeless people, and Hodge Hill Hub
- Finally, we have two other staff operating a 3-year contract via Citizens Advice to deliver a debt and money advice focused on migrant communities. The funding is from the Money Advice Service.

During 2018/19 we assisted over 10,250 people across our two offices with new law related issues:

How we helped people in Coventry 2018-19



How we helped people in Birmingham 2018-19



Key outcomes for clients achieved in 2018–19:

- Our welfare benefits and money advice work increased the income of our clients by £6.2 million, over a 12-month period, and we brought £1.6 million of debt into management. Approximately £245,000 of our client's debt was written off.
- We also advised clients on the management of £2.3 million of priority and non-priority debt through our Birmingham based Money Advice Service.
- Clients of our community care team were enabled to access with our help services worth £126,000.
- Employment clients gained £151,000 in compensation with our representation.
- We enabled 198 people and their families to stay in their home or be rehoused. We also prevented 189 people and their families from being evicted from their homes.
- We advised 244 victims of domestic violence on their rights to help them make an informed choice about their options. We represented and provided protection for 24 victims of domestic violence.
- We secured immigration status for 113 people and were successful in over 75% of the cases we represented – higher than the national average.

Development of staff

All staff continued to benefit from development and training to meet needs identified through the charity's staff appraisal process. All Team Heads attended Leadership Development Training and two other staff attended the CLORE leadership programme and an NCVO charity leadership in the 2020's course.

Our Justice First Fellows, funded by The Legal Education Foundation, qualified as solicitors, with a total of four Justice First Fellows having qualified with us. The fellowship is a fully-funded two-year training contract and the aim of The Legal Education Foundation is to build a movement of new social welfare lawyers.

In addition, we also offered solicitor training contracts to 3 existing members of staff.

Volunteers

Volunteers provide invaluable support to our work across both our offices. We had over 80 volunteers supporting work in all of the teams during the year. As many of our volunteers are students at Coventry, Warwick, Birmingham City and Birmingham University we experience a fluctuation in active volunteers throughout the year. We are able to provide them with valuable work experience to support their future careers.

Beneficiaries of our services

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

Coventry's population estimate for 2018 was 366,800 residents

- 18.5% of Coventry's population live in the top 10% most deprived LSOAs* nationally. (Lower Super Output Area – a geographical area used in the UK for statistical analysis and containing approximately 1,500 people).
- 33% of children in Coventry live in poverty, rising to 53% of children in poverty in St Michaels ward.
- 15.3% of households in Coventry are in fuel poverty, compared with 10.9% nationally.
- 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 30% higher than the national average.
- 10% of residents have no qualifications.
- 19% of households have no working age residents, compared with the national average of 16%.
- Average annual income per head is £14,175, compared with an average of £19,878 nationally.

In Coventry, the Law Centre ensures its 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. We anticipate increasing demand for our services in response to this situation.

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. Deprivation in Birmingham is mainly concentrated in a ring around the city centre that closely follows the inner ring road and Number 8 bus route. Approximately 40% of Birmingham's population lives in areas described as in the most deprived 10% in England.

Birmingham Community Law Centre is based at the Bangladesh Centre in Sparkbrook, directly on the Number 8 bus route – which connects the eight inner-city wards where deprivation is highest and where the migrant population is 76%.

Sparkbrook itself is the most deprived ward in Birmingham and, contained within it, is an area which is within the most deprived 5% nationally. 64% of the local population is from the South Asian community with just under 10% from the Caribbean. There are growing numbers of Somalis, including refugees and asylum seekers as well as those who have moved here directly from other countries in the European Union. 77.6% of the population is defined as non-white in the 2011 census and 42.5% were born overseas¹. 16% of the population say they cannot speak English very well or at all.

Many people live in overcrowded conditions with several generations sharing accommodation in order to reduce living costs. According to the 2011 Census data, 22.5% of households are overcrowded – almost double the percentage for Birmingham as a whole.

At 24%, unemployment is higher than the Birmingham average. The combination of low income and greater numbers of children means a greater reliance on child benefit and child tax credit although, unlike other deprived areas, there is evidence of under claiming ESA and Disability Living Allowance.²

The characteristics of the people we have helped during 2018/2019 are as follows:

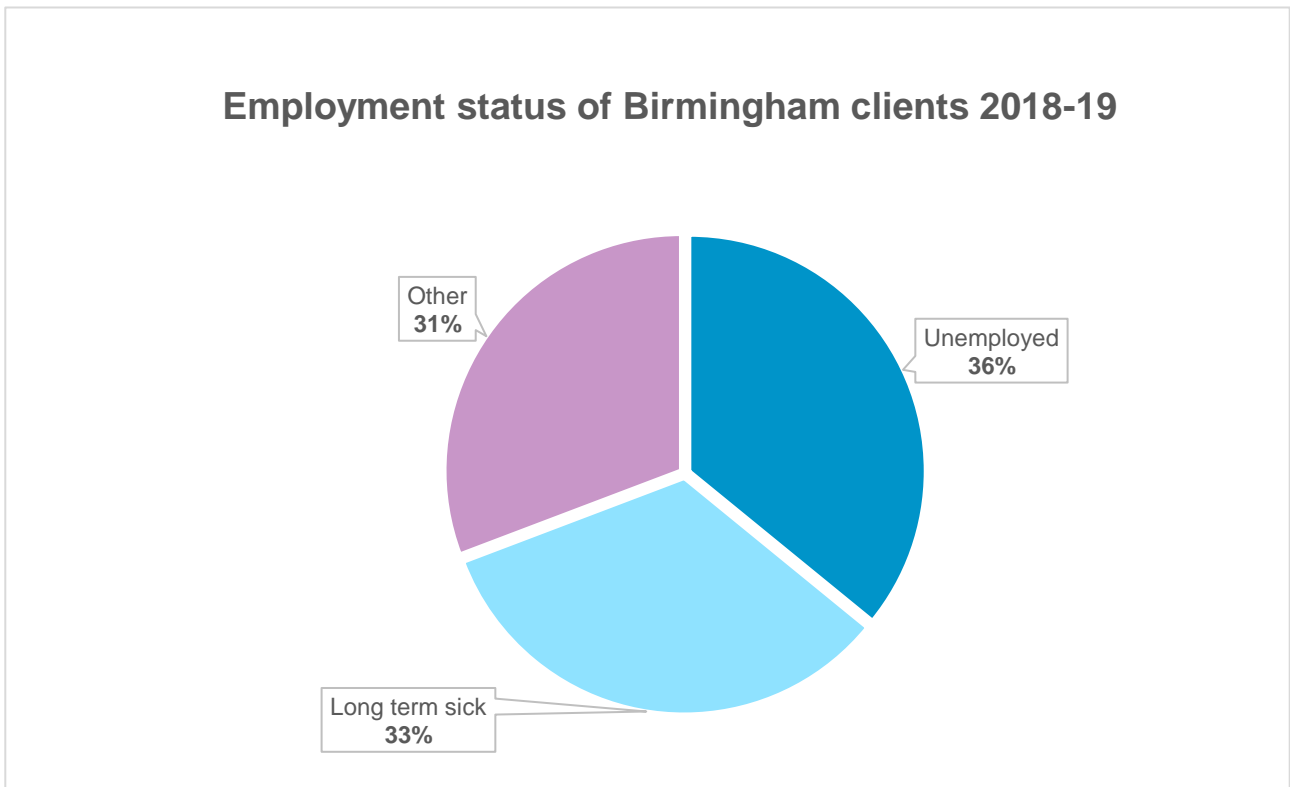
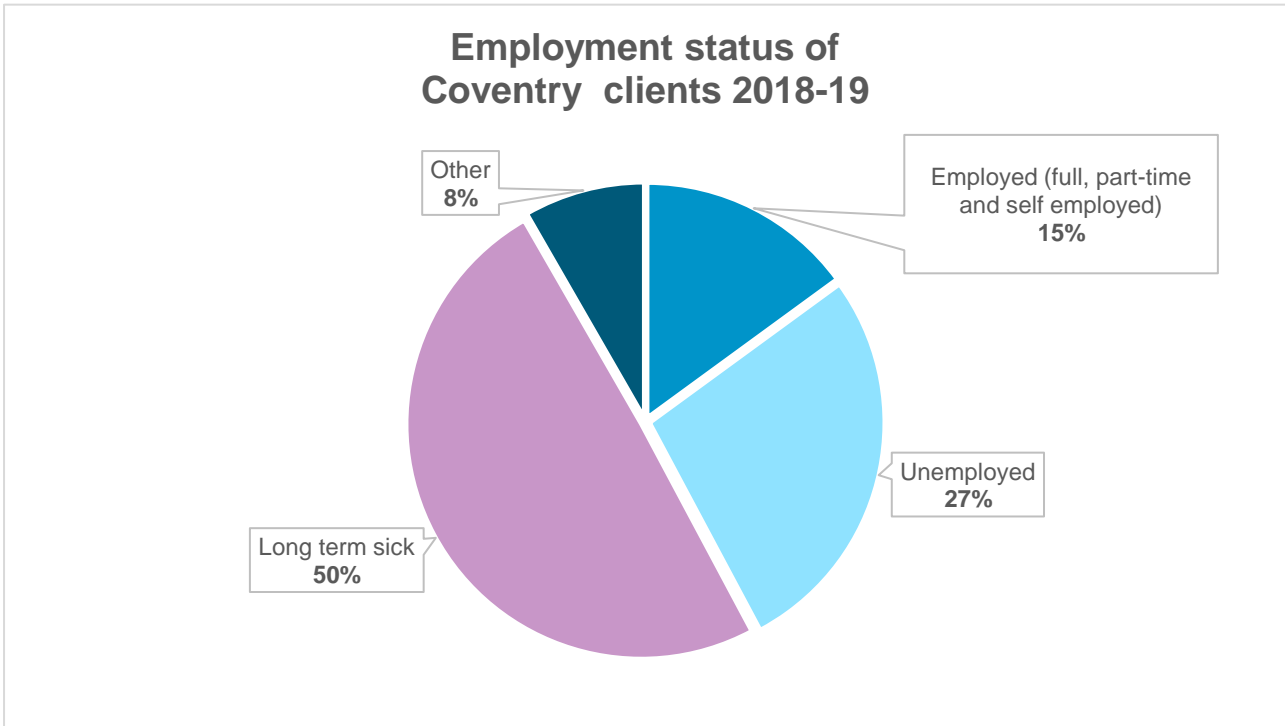
Disability:

43% of Birmingham clients and 38% of Coventry clients declared a disability or serious/long term illness.

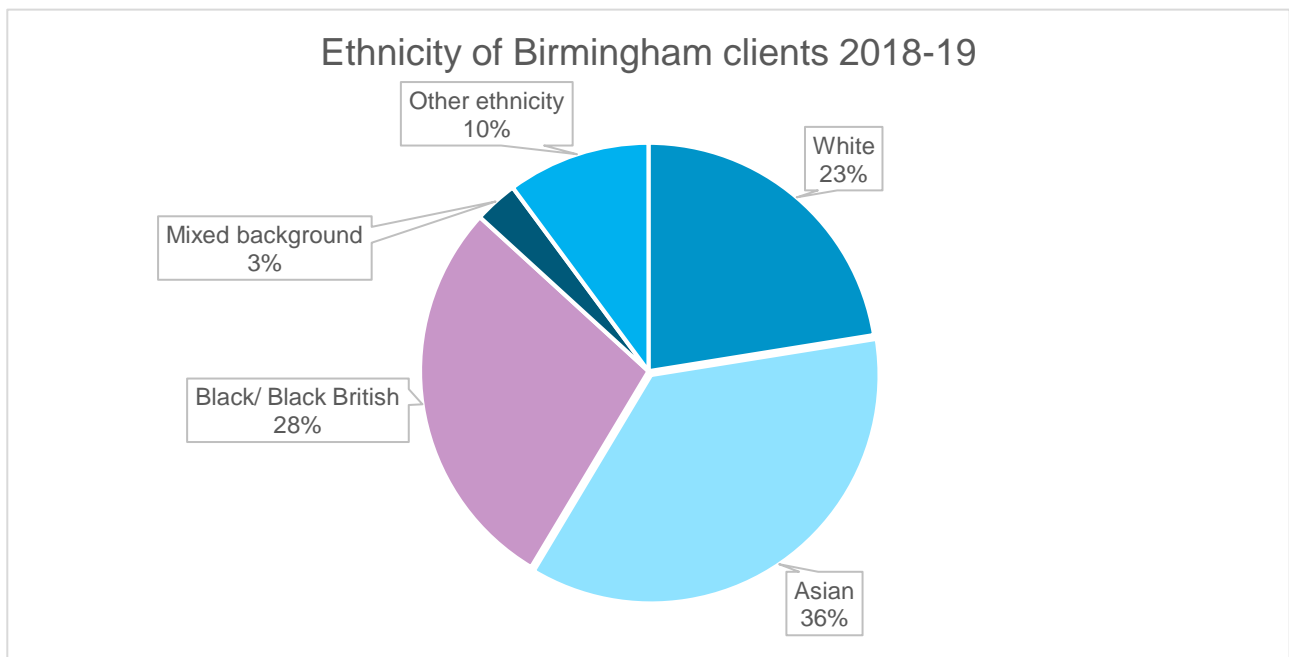
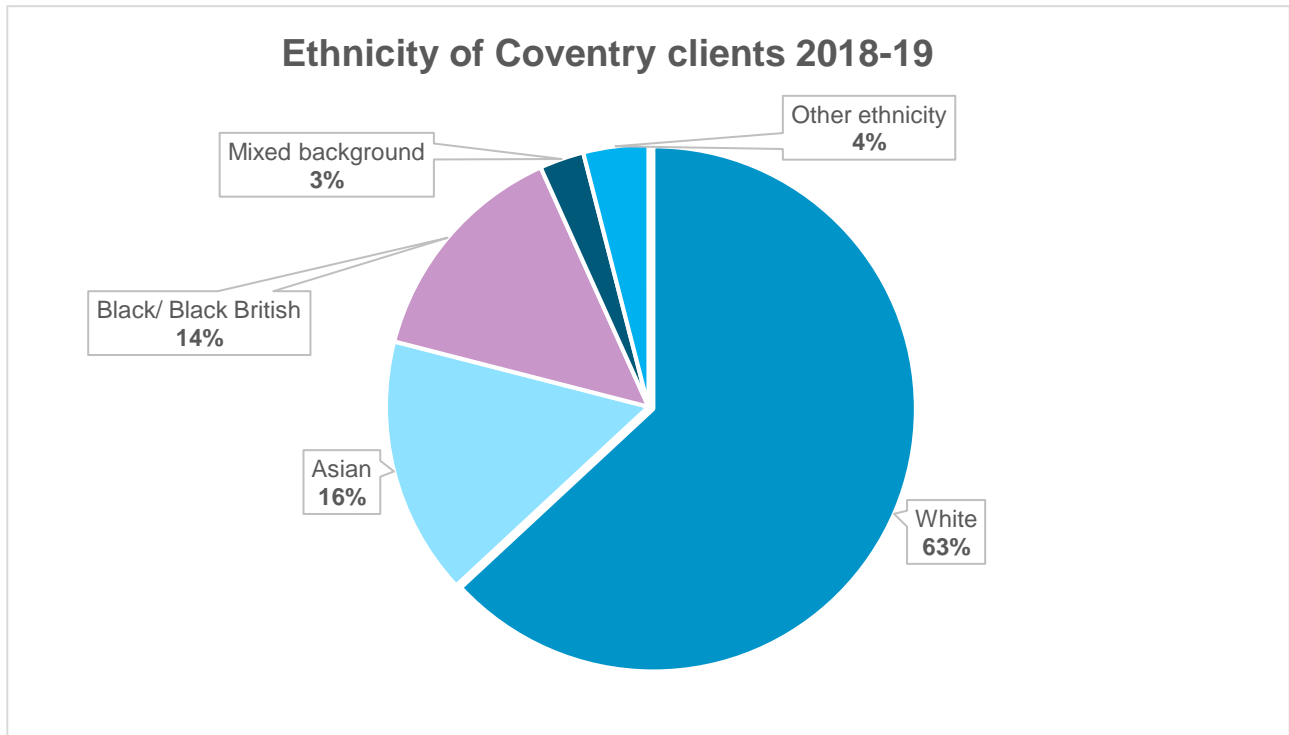
¹ Source: 2011 Census Data, Birmingham Quick Ward Profiles

² Source: Experian Mosaic UK, [Consumer Classification Data](#)

Employment status: Though the age groups most likely to be economically active form the largest proportion of our client base, the majority of our clients were not working at all and only a small number were in full time employment.



Ethnicity: The ethnicity profile is shown below and represents a significant use of our services by minority ethnic groups.



Financial review

Financial stability and going concern

The charity has continued to move forward positively and an overall net increase in funds of £221,271 (after actuarial gains relating to the West Midlands Pension Fund) was achieved for the year. Continued support from Coventry City Council, as well as an expansion in the range of funders provided strong foundations on which to continue to develop. Expansion into Birmingham in 2013 was carefully considered and has proceeded cautiously, but it is proving to be positive financially in providing opportunity for growth and for spreading overheads and sharing legal expertise.

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

Principal sources of funding

Coventry City Council continues to represent an important source of funding for the charity. The trustees are very grateful to the Council for its consistent support of the work of the Law Centre. Its investment in the charity over many years has allowed the Law Centre to develop into a highly professional and respected charity, which can, in turn, support other agencies within the city.

Reductions in funding for local authorities meant that Coventry City Council reduced funding to the charity by 10% from 1st April 2016, with a further cut of 5% from April 2017. In a time of severe reductions in public funding, Trustees are aware that there is still significant pressure on the local authority's funds and remain grateful for the demonstration of significant ongoing support for the charity's work.

The funding from Coventry City Council allows the Law Centre to undertake the rights awareness raising work which is critical to reaching those who are most vulnerable and socially excluded; as well as providing free advice and casework for people on low incomes in areas of law that are out of scope for legal aid.

Fees paid by the Legal Aid Agency (LAA) for work undertaken for clients who are eligible for legal aid is another key source of funding. This covers approximately 30% of the casework undertaken. Trustees set an ambitious target for a 16% increase in legal aid funding in line with their strategy to increase the financial strength of the organisation. While the monetary target was not achieved, the organisation did increase its legal aid income by over £72,000 compared with the previous year, taking total income from legal aid to £456,566.

Reductions in the scope of legal aid funding, combined with the pressure on local authority funding, have required a shift to find other forms of funding. The charity has continued to attract funding from trusts and foundations and other organisations.

Central England Law Centre Limited

Trustees' annual report

For the year ended 31 March 2019

Key funders this year were Comic Relief, Paul Hamlyn Foundation, Unbound Philanthropy, Microsoft, The Legal Education Foundation, The Baring Foundation, The Oak Foundation, Barrow Cadbury, and Money Advice Service.

Funding from local universities is also a growing share of the mix.

Increasingly, our funding is short term and project-based. It requires close monitoring and a greater investment of time in fund-raising and managing the complexity of performance reporting required.

Overall, the finances of the charity show a surplus of £24,271, before actuarial gains of the pension scheme, on the accounts for 2018/19. This is an improvement on the previous year but both local authority and legal aid funding continue to be monitored closely by trustees.

Fund raising

The charity receives less than £7,000 from donations. Its main funding sources are grants and contracts. The charity does not employ professional fund raisers and does not seek to fund raise from the general public.

Pension fund

The charity is an admitted body member of the West Midlands Pension Fund. This is a multi-employer pension scheme providing benefits based on career averaged re-valued earnings. Details of the pension scheme are included in note 21 of the financial statements.

The detail in the note highlights a significant liability in relation to the membership of the Pension Fund. As mentioned earlier in the report, trustees closed the pension scheme to new members in order to manage this risk, and alternative pension provision has been established.

In making this decision, trustees have taken account of the guidance issued by the Charity Commission on Charity Reserves and Defined Benefit Pension Schemes. This highlights that, in considering the position in relation to the FRS 102 valuation, trustees should take account of the fact that the deficit does not crystallize immediately, but must give consideration to the impact on future cash flow forecasts of the impact of increased contributions. In this context, trustees have corresponded with the West Midlands Pension Fund and have built the future planned contribution rates into their cash flow projections. Trustees are satisfied that planned increases can be accommodated and will not therefore impact negatively on future operational plans and budgets.

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 at least quarterly along with a review of performance against the business plan. The Risk Register highlights those risks which are not 'standing risks', i.e. those where there are current issues which need to be reviewed. Any changes since the register was last reviewed by trustees are also highlighted.

Risks are grouped into "Business/Strategic", 'Operational' and 'Disaster'. Those risks which are entirely caused by external factors are dealt with by controls intended largely to mitigate the effect of the risk. Internal risks are minimised by procedures and controls within the charity.

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. Since April 2013, reductions in the scope of legal aid, brought in under the Legal Aid, Sentencing and Punishment of Offenders Act 2012, have reduced legal aid income for the charity. Coventry City Council imposed a reduction in its grant funding to the charity of 10% from April 2016, and a cut of 5% from April 2017 (based on the grant received in the year 2015/2016).

The trustees responded to this with a strategy of bidding for funding from other sources. This has been successful and the charity has seen an increase in the number of funders that it has, as well as a significant overall increase in its funds.

However, as described above, trustees are mindful that Coventry City Council is under significant financial pressure and considerable effort is being expended in ensuring that its elected members place high value on our service. Trustees are also focused on continuing to improve performance in legal aid billing as this is a critical area of work for the organisation.

The other key risk to financial stability is the liability currently arising from membership of the West Midlands Pension Fund. Trustees took the decision in May 2007 to close the pension scheme to new members in order to manage this risk and they continue to regularly review the financial impact of the fund on the finances of the organisation.

Reserves policy

The trustees have reviewed the charity's need for reserves in line with the guidance issued by the Charity Commission.

The General Reserve shows a balance of £1,209,728 following the net increase in funds during the year. The Pension Fund liability is valued at £509,000, which leaves the General Reserve with a balance of £700,728.

The balance of reserves that are restricted is £96,097.

Trustees recognise the need to set aside or designate amounts from the General Reserve to fund the planned replacement of current operational fixed assets; an emergency operating reserve which would safeguard the charity's service commitment in the event of delays in receipt of grants or other serious disruptions such as the withdrawal of funding from key sources; and a redundancy reserve in the event of a reduction or close down in service provision due to damaging circumstances.

The trustees have set together the targets for each of these requirements, and collectively this gives rise to a target for total reserves. The target for the replacement of fixed assets is £150,280 reflecting the replacement costs of assets in use; the equivalent level of three months operating costs, currently £498,902, calculated and reviewed annually, is the target for the operating reserves; and the target for redundancy reserves reflects existing redundancy costs, currently £144,983.

This gives a total target of £794,165, which exceeds the amount available. The need to build a reserve that will meet the target set is considered when budgets are set, and decisions are taken with this in mind.

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. Given the absence of substantial reserves, the current investment policy is for funds to be held on deposit with the charity's bankers at the best available rate of interest. Funds over £60,000 may be placed on the money market through the charity's bankers where the returns warrant this course of action.

Plans for the future

For 2019/20, we will continue to offer advice and representation in the same areas of law, continuing with gradual expansion of capacity in Birmingham, but focusing on consolidating our growth and building a new long term financial strategy.

For the longer term, we recognise that the environment in which we are operating is extremely challenging: the combination of the recession and public sector funding cuts means demand for our assistance is rising; at the same time significant cuts to legal aid funding are being implemented.

During 2019/20, in support of our strategic aims to evolve and expand our existing services to meet the changing needs of the population and to meet identified gaps in provision, we will continue, where possible, to expand and develop our services. We will do this by

- Ensuring successful delivery of the Legal Aid Agency contracts that we hold. We expect to continue to expand our legal aid work in Birmingham and to build our capacity and reputation as one of the leading organisations in public interest litigation.

Central England Law Centre Limited

Trustees' annual report

For the year ended 31 March 2019

- Building on the learning from our successful RIPPLE and MAC projects, we will explore how we can redirect our legal expertise so more of our work is preventative and builds legal capability and confidence in people to engage with the law and to know their rights.
- Continuing our work through the Ignite Programme to influence the public sector to shift resource to acting earlier. Funded by the Early Action Neighbourhood Fund, we are seeking to understand how services need to change to reduce the number of children at risk of care, and to reduce tenancy failure in social housing.
- Continuing our work in making people aware of the changes being brought in by Welfare Reform, and trying to ensure individuals and partner agencies are well prepared.
- Seeking funding to develop our advice and information service to victims of domestic violence, and building links through our participation in the emerging Coventry Women's Partnership.
- Seeking new funding to ensure the continuation of our advice services – and particularly focusing on reaching the most vulnerable clients directly. We intend to focus on securing unrestricted funding to contribute to our core costs to build the operational strength of the organisation.
- Working closely with existing and potential partners to ensure that our services are delivered in a way that responds to the needs of those who are most vulnerable and socially excluded. This will include developing new ways of delivering services in multi-disciplinary teams to better target those who most need our help.
- Growing our partnerships with local universities in both Coventry and Birmingham to maximise the volunteer capacity that students can provide.
- Working in partnership with 3 other not-for-profits and KIND in the US to continue to develop a new national pro-bono service, Kids in Need of Defense UK, to provide representation to children in immigration cases.

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

We will 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.

Structure, governance and management

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

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

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

Organisational structure

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

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

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

The charity employs 62 staff, of whom 48 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.

Central England Law Centre Limited

Trustees' annual report

For the year ended 31 March 2019

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 skills are also well represented within the trustee body, with trustees experienced in running their own businesses. The organisation is still seeking a further Trustee with a finance or accountancy background and will also be seeking to attract new trustees from Birmingham to make the number up to ten.

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

Trustee induction and training

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

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

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

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

Related parties and relationships with other organisations

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

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

Central England Law Centre Limited

Trustees' annual report

For the year ended 31 March 2019

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

Coventry Law Centre is a founding member of Here 2 Help (H2H), a Voluntary Sector Consortium established to safeguard and grow high quality voluntary and community sector service provision to local people through working with the local authority to co-design services and negotiate a pipeline of funding, and by tendering competitively for public service contracts via a range of channels. The Chief Executive of the Law Centre is a Board Member of H2H.

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 and Coram Children's Legal Centre to establish 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 and Birmingham City University.

Remuneration policy for key management personnel

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

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

Funds held as custodian trustee on behalf of others

Central England Law Centre does not perform this function.

Statement of responsibilities of the trustees

The trustees (who are also directors of Central England Law Centre Limited for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

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

In so far as the trustees are aware:

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

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2019 was 7 (2018: 7). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditor

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

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

The trustees' annual report has been approved by the trustees on 11 December 2019 and signed on their behalf by

Harinder Bahra
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 2019 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 2019 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

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

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

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. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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
- 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 trustees 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.

Independent auditor's report

To the members of

Central England Law Centre Limited

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 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

Independent auditor's report

To the members of

Central England Law Centre Limited

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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)

19 December 2019

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 2019

	Note	Unrestricted £	Restricted £	2019 Total £	Unrestricted £	Restricted £	2018 Total £
Income from:							
Donations	2	6,007	600	6,607	2,600	600	3,200
Charitable activities	3						
Legal and other advisory services		602,623	1,960,757	2,563,380	475,675	1,746,621	2,222,296
Investments		712	-	712	473	-	473
Other		12,583	-	12,583	14,203	-	14,203
Total income		621,925	1,961,357	2,583,282	492,951	1,747,221	2,240,172
Expenditure on:							
Charitable activities	4						
Legal and other advisory services		620,142	1,938,869	2,559,011	541,390	1,743,738	2,285,128
Total expenditure		620,142	1,938,869	2,559,011	541,390	1,743,738	2,285,128
Net income / (expenditure) for the year	5	1,783	22,488	24,271	(48,439)	3,483	(44,956)
Transfers between funds		(12,292)	12,292	-	(5,431)	5,431	-
Net income / (expenditure) before other recognised gains and losses		(10,509)	34,780	24,271	(53,870)	8,914	(44,956)
Actuarial gains / (losses) on defined benefit pension schemes	21	197,000	-	197,000	85,000	-	85,000
Net movement in funds		186,491	34,780	221,271	31,130	8,914	40,044
Reconciliation of funds:							
Total funds brought forward		514,237	61,317	575,554	483,107	52,403	535,510
Total funds carried forward		700,728	96,097	796,825	514,237	61,317	575,554

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 16a to the financial statements.

Central England Law Centre Limited

Balance sheet

Company no. 4149673

As at 31 March 2019

	Note	£	2019 £	£	2018 £
Fixed assets:					
Tangible assets	10		4,050		10,850
Current assets:					
Work in progress	11	675,307		518,354	
Debtors	12	946,313		888,928	
Cash at bank and in hand		880,128		930,188	
			<u>2,501,748</u>	<u>2,337,470</u>	
Liabilities:					
Creditors: amounts falling due within one year	13	(1,199,973)		(1,148,766)	
Net current assets			<u>1,301,775</u>		<u>1,188,704</u>
Total assets less current liabilities			<u>1,305,825</u>		<u>1,199,554</u>
Defined benefit pension scheme liability	21		(509,000)		(624,000)
Total net assets			<u><u>796,825</u></u>		<u><u>575,554</u></u>
The funds of the charity:	16a				
Restricted income funds			96,097		61,317
Unrestricted income funds:					
General funds		1,209,728		1,138,237	
Pension reserve		(509,000)		(624,000)	
Total unrestricted funds			<u>700,728</u>		<u>514,237</u>
Total charity funds			<u><u>796,825</u></u>		<u><u>575,554</u></u>

Approved by the trustees on 11 December 2019 and signed on their behalf by

H Bahra
Director

Central England Law Centre Limited

Statement of cash flows

For the year ended 31 March 2019

	Note	2019 £	£	2018 £	£
Cash flows from operating activities	17				
Net cash provided by / (used in) operating activities			(48,487)		170,734
Cash flows from investing activities:					
Interest received		712		473	
Purchase of fixed assets		(2,285)		(4,000)	
Net cash provided by / (used in) investing activities			(1,573)		(3,527)
Change in cash and cash equivalents in the year			(50,060)		167,207
Cash and cash equivalents at the beginning of the year			930,188		762,981
Cash and cash equivalents at the end of the year	18		<u>880,128</u>		<u>930,188</u>

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) (effective 1 January 2015) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (September 2015) 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 2016 has been used by the actuary in valuing the pensions liability at 31 March 2019. 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.

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.

Unbilled income is shown as work in progress and is valued on an hourly rate. 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.

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.

1 Accounting policies (continued)

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 £	2019 Total £	Unrestricted £	Restricted £	2018 Total £
Donations	6,007	600	6,607	2,600	600	3,200
	6,007	600	6,607	2,600	600	3,200

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.

3 Income from charitable activities

	2019			2018		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Coventry City Council – grant	-	439,726	439,726	-	439,726	439,726
Legal Aid Agency	456,566	-	456,566	384,506	-	384,506
Other profit costs	22,411	-	22,411	23,096	-	23,096
Income from liquidators	4,850	-	4,850	-	-	-
Whitefriars Housing Association – Debt Advice Project	-	33,462	33,462	-	44,616	44,616
Coventry Building Society – Homelessness Prevention Project	-	15,000	15,000	-	15,000	15,000
Coventry City Council – Advice for Families Anchor Centre	-	87,787	87,787	-	87,787	87,787
The Legal Education Foundation – Justice First Fellowships	-	9,303	9,303	-	7,866	7,866
Metropolitan Migration Foundation – Roma Project	-	53,224	53,224	-	94,517	94,517
Early Action Neighbourhood Fund/Coventry City Council – Ignite Project	-	-	-	-	18,600	18,600
The Legal Education Foundation – the RIPPLE Project	-	441,682	441,682	-	425,420	425,420
Kids in Need of Defence	-	21,193	21,193	-	28,523	28,523
Voluntary Sector Consortium – Coventry Healthwatch	-	311,370	311,370	-	206,824	206,824
The Baring Foundation – Mother and Child Project	-	43,384	43,384	-	43,384	43,384
Coventry City Council – Syrian Families project	-	44,010	44,010	-	59,894	59,894
Allen & Overy – Volunteers	-	75,000	75,000	-	75,000	75,000
Legal Education Foundation – KIND IT Strategy	-	7,500	7,500	-	11,073	11,073
Smallwood Trust – Improving Financial Security of Women	-	-	-	-	7,500	7,500
Coventry City Council – MiFriendly Cities Advisor	-	17,000	17,000	-	5,116	5,116
Matrix Chambers – contribution to Dragon Birmingham City University – contribution to cloud migration	-	52,122	52,122	-	-	-
Coventry University	-	31,761	31,761	-	-	-
University of Warwick	-	5,000	5,000	-	-	-
Saintbury Trust – contribution to running costs	-	23,500	23,500	-	-	-
AB Charitable Trust – contribution to running costs	87,241	-	87,241	47,745	-	47,745
Access to Justice Foundation – contribution to running costs	9,833	-	9,833	9,833	-	9,833
William Cadbury Trust – contribution to running costs	-	4,000	4,000	-	-	-
Money Advice Service – Debt Advice Service (extended)	-	20,000	20,000	-	-	-
Law Centres Network – Living Rights Project	-	10,000	10,000	-	-	-
Barrow Cadbury – Benefits Aware	-	20,000	20,000	-	-	-
The Oak Foundation – Legal Advice Project	-	52,010	52,010	-	51,235	51,235
Red Cross – Families Together	-	-	-	-	14,543	14,543
Roof Appeal	-	37,682	37,682	-	38,498	38,498
Birmingham City University	-	90,791	90,791	-	69,499	69,499
Total income from charitable activities	-	12,250	12,250	-	-	-
	-	2,000	2,000	-	2,000	2,000
	21,722	-	21,722	10,495	-	10,495
	602,623	1,960,757	2,563,380	475,675	1,746,621	2,222,296

Central England Law Centre Limited

Notes to the financial statements

For the year ended 31 March 2019

4a Analysis of expenditure (current year)

	Charitable activities £	Governance costs £	Support costs £	2019 Total £	2018 Total £
Staff costs (Note 6)	1,469,257	-	352,495	1,821,752	1,677,158
Insurance	7,532	562	7,848	15,942	13,017
Publications	1,884	-	-	1,884	1,735
Subscriptions	11,396	-	-	11,396	9,570
Courses	24,073	-	-	24,073	12,948
Disbursements	7,573	-	-	7,573	3,792
Communications	-	-	11,103	11,103	10,970
Premises costs	-	-	89,041	89,041	73,059
Other costs	-	-	46,648	46,648	10,952
Depreciation and sundry equipment	-	-	92,137	92,137	69,483
Legal and professional fees	-	-	-	-	35,369
Specialist Quality Mark audit	-	-	-	-	1,650
Printing, postage and stationery	-	-	24,532	24,532	24,190
Advertising	-	-	750	750	749
Travel	-	-	7,917	7,917	12,416
Bank charges	-	-	193	193	168
Grant funded activities	395,157	-	-	395,157	320,489
Client payments	1,000	-	-	1,000	-
Audit and accountancy	-	7,913	-	7,913	7,413
	<u>1,917,872</u>	<u>8,475</u>	<u>632,664</u>	<u>2,559,011</u>	<u>2,285,128</u>
Support costs	632,664	-	(632,664)	-	-
Governance costs	8,475	(8,475)	-	-	-
	<u>2,559,011</u>	<u>-</u>	<u>-</u>	<u>2,559,011</u>	<u>2,285,128</u>
Total expenditure 2019	<u>2,559,011</u>	<u>-</u>	<u>-</u>	<u>2,559,011</u>	<u>2,285,128</u>
Total expenditure 2018	<u>2,285,128</u>	<u>-</u>	<u>-</u>	<u>2,285,128</u>	

Grant funded activities is expenditure specific to projects. This includes £326,664 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 2019

4b Analysis of expenditure (previous year)

	Charitable activities £	Governance costs £	Support costs £	2018 Total £	2017 Total £
Staff costs (Note 6)	1,257,078	-	420,080	1,677,158	1,423,450
Insurance	5,692	407	6,918	13,017	5,393
Publications	1,735	-	-	1,735	2,108
Subscriptions	9,570	-	-	9,570	9,151
Courses	12,948	-	-	12,948	15,954
Disbursements	3,792	-	-	3,792	6,143
Communications	-	-	10,970	10,970	12,984
Premises costs	-	-	73,059	73,059	72,626
Other costs	-	-	10,952	10,952	10,887
Depreciation and sundry equipment	-	-	69,483	69,483	55,579
Legal and professional fees	-	-	35,369	35,369	20,042
Specialist Quality Mark audit	1,650	-	-	1,650	-
Printing, postage and stationery	-	-	24,190	24,190	25,590
Advertising	-	-	749	749	8,521
Travel	-	-	12,416	12,416	11,550
Bank charges	-	-	168	168	173
Grant funded activities	320,489	-	-	320,489	222,267
Client payments	-	-	-	-	1,000
Audit and accountancy	-	7,413	-	7,413	6,563
	<u>1,612,954</u>	<u>7,820</u>	<u>664,354</u>	<u>2,285,128</u>	<u>1,909,981</u>
Support costs	664,354	-	(664,354)	-	-
Governance costs	7,820	(7,820)	-	-	-
	<u>2,285,128</u>	<u>-</u>	<u>-</u>	<u>2,285,128</u>	<u>1,909,981</u>
Total expenditure 2018	<u>2,285,128</u>	<u>-</u>	<u>-</u>	<u>2,285,128</u>	<u>1,909,981</u>
Total expenditure 2017	<u>1,909,981</u>	<u>-</u>	<u>-</u>	<u>1,909,981</u>	

Grant funded activities is expenditure specific to projects. This includes £271,149 we have received from funders to pay to partner organisations for work done on projects.

5 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2019 £	2018 £
Depreciation	9,085	13,779
Professional Indemnity Insurance	7,532	4,785
Operating lease rentals:		
Property	51,137	47,435
Other	5,477	5,477
Auditor's remuneration (excluding VAT):		
Audit	8,000	7,900
	<u>8,000</u>	<u>7,900</u>

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

Staff costs were as follows:

	2019 £	2018 £
Salaries and wages	1,541,148	1,409,926
Redundancy and termination costs	-	3,121
Social security costs	137,240	126,374
Employer's contribution to defined contribution pension schemes	38,993	20,789
Employer's contribution to defined benefit pension schemes – past service deficit	-	63,530
Operating costs of defined benefit pension schemes	103,596	49,194
Recruitment costs	775	4,224
	<u>1,821,752</u>	<u>1,677,158</u>

No employee earned more than £60,000 during the year (2018: £nil).

Key management personnel include the Trustees, the Chief Executive and the Office Manager. The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £129,204 (2018: £128,766).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2018: £nil). No charity trustee received payment for professional or other services supplied to the charity (2018: £nil).

No trustee received any remuneration in either year. The travel expenses for one trustee paid by the charity in the year were £37 (2018: £244).

7 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 64 (2018: 60).

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

	2019 No.	2018 No.
Support staff	15	12
Legal and advisory staff	49	48
	<u>64</u>	<u>60</u>

8 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.

Councillor David Welsh is a member of Coventry City Council.

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

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

During the year, the charity received income of £43,384 (2018: £43,384) from Voluntary Sector Consortium. At 31 March 2019 a balance of £nil was due to/from Voluntary Sector Consortium.

9 Taxation

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

10 Tangible fixed assets

	Property improvements £	Computer equipment £	Office equipment £	Total £
Cost or valuation				
At the start of the year	66,902	67,283	23,724	157,909
Additions in year	-	2,285	-	2,285
At the end of the year	66,902	69,568	23,724	160,194
Depreciation				
At the start of the year	64,762	59,585	22,712	147,059
Charge for the year	480	7,675	930	9,085
At the end of the year	65,242	67,260	23,642	156,144
Net book value				
At the end of the year	1,660	2,308	82	4,050
At the start of the year	2,140	7,698	1,012	10,850

All of the above assets are used for charitable purposes.

11 Work in progress

	2019 £	2018 £
Legal work performed but unbilled at year end	675,307	518,354
	675,307	518,354

12 Debtors

	2019 £	2018 £
Other debtors including disbursements	782,529	815,918
VAT	16,665	8,094
Prepayments and accrued income	147,119	64,916
	946,313	888,928

All of the charity's financial instruments, both assets and liabilities, are measured at amortised cost. The carrying values of these are shown above and also in note 13 below.

13 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	419,671	397,111
Taxation and social security	34,432	33,071
Other creditors	30,035	30
Pension creditor	9,002	6,038
Accruals	107,158	153,073
Deferred income	599,675	559,443
	1,199,973	1,148,766

14 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.

	2019 £	2018 £
Balance at the beginning of the year	559,443	528,787
Receipts in advance	2,001,589	1,831,411
Released to income in the year	(1,961,357)	(1,800,755)
	599,675	559,443

15a Analysis of net assets between funds (current year)

	General unrestricted £	Restricted £	Total funds £
Tangible fixed assets	4,050	-	4,050
Current assets	1,737,937	763,811	2,501,748
Current liabilities	(532,259)	(667,714)	(1,199,973)
Defined benefit pension liability	(509,000)	-	(509,000)
	700,728	96,097	796,825

15b Analysis of net assets between funds (prior year)

	General unrestricted £	Restricted £	Total funds £
Tangible fixed assets	10,850	-	10,850
Current assets	1,602,814	734,656	2,337,470
Current liabilities	(475,427)	(673,339)	(1,148,766)
Defined benefit pension liability	(624,000)	-	(624,000)
	514,237	61,317	575,554

Central England Law Centre Limited

Notes to the financial statements

For the year ended 31 March 2019

16a Movements in funds (current year)

	At 1 April 2018 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2019 £
Restricted funds:					
Coventry City Council – grant	-	439,726	(439,726)	-	-
Subscription fund	-	600	(600)	-	-
The Baring Foundation SVTS Independence Grant Project 2011–2013	4,199	-	(2,566)	(1,633)	-
Whitefriars Housing Association – Debt Advice Project	-	33,462	(33,462)	-	-
Coventry Building Society – Homelessness Prevention Project	-	15,000	(15,000)	-	-
Coventry City Council – Advice for Families	-	87,787	(87,787)	-	-
Virgin Health – Anchor Centre	-	9,303	(9,303)	-	-
The Legal Education Foundation – Justice First Fellowships	427	53,224	(53,651)	-	-
Metropolitan Migration Foundation – Roma Project	29	-	-	(29)	-
Early Action Neighbourhood Fund/Coventry City Council – Ignite Project	33,792	441,682	(420,307)	-	55,167
The Legal Education Foundation – the RIPPLE Project	-	21,193	(22,066)	923	50
Kids in Need of Defence	(1)	311,370	(311,369)	-	-
Voluntary Sector Consortium – Coventry Healthwatch	-	43,384	(43,384)	-	-
The Baring Foundation – Mother and Child Project	6,629	44,010	(46,064)	-	4,575
Coventry City Council – Syrian Families Project	8,408	75,000	(83,408)	-	-
Allen & Overy – Volunteers	-	7,500	(7,500)	-	-
Smallwood Trust – Improving Financial Security of Women	1,125	17,000	(18,125)	-	-
Coventry City Council – Welfare Benefits Advisor	-	31,761	(29,408)	-	2,353
Coventry City Council – MiFriendly Cities	-	52,122	(40,937)	13,031	24,216
Matrix Chambers – contribution to Dragon	-	5,000	(5,000)	-	-
Birmingham City University – contribution to Cloud Migration	-	23,500	(13,764)	-	9,736
Saintbury Trust – contribution to running costs	-	4,000	(4,000)	-	-
AB Charitable Trust – contribution to running costs	-	20,000	(20,000)	-	-
Access to Justice Foundation – contribution to running costs	-	10,000	(10,000)	-	-
William Cadbury Trust – contribution to running costs	-	20,000	(20,000)	-	-
Money Advice Service – Debt Advice Service	4,709	52,010	(56,719)	-	-
Law Centres Network – Living Rights Project	-	-	-	-	-
Barrow Cadbury – Benefits Aware	-	37,682	(37,682)	-	-
The Oak Foundation – Legal Advice Project	-	90,791	(90,791)	-	-
Red Cross – Families Together	-	12,250	(12,250)	-	-
Roof Appeal	2,000	2,000	(4,000)	-	-
Total restricted funds	61,317	1,961,357	(1,938,869)	12,292	96,097
General funds	1,138,237	503,129	(419,346)	(12,292)	1,209,728
Coventry University	-	87,241	(87,241)	-	-
University of Warwick	-	9,833	(9,833)	-	-
Birmingham City University	-	21,722	(21,722)	-	-
Total unrestricted funds	1,138,237	621,925	(538,142)	(12,292)	1,209,728
Pension reserve	(624,000)	197,000	(82,000)	-	(509,000)
Total funds including pension fund	575,554	2,780,282	(2,559,011)	-	796,825

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

16b Movements in funds (prior year)

	As at 1 April 2017 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2018 £
Restricted funds:					
Coventry City Council – grant	–	439,726	(439,726)	–	–
Subscription fund	–	600	(600)	–	–
The Baring Foundation SVTS Independence Grant Project 2011–2013	4,199	–	–	–	4,199
Whitefriars Housing Association – Debt Advice Project	–	44,616	(44,616)	–	–
Coventry Building Society – Homelessness Prevention Project	–	15,000	(15,000)	–	–
Coventry City Council – Advice for Families	–	87,787	(87,787)	–	–
Virgin Health – Anchor Centre	–	7,866	(7,866)	–	–
The Legal Education Foundation – Justice First Fellowships	(92)	94,517	(93,998)	–	427
Metropolitan Migration Foundation – Roma Project	4,720	18,600	(23,291)	–	29
Early Action Neighbourhood Fund/Coventry City Council – Ignite Project	30,352	425,420	(421,980)	–	33,792
The Legal Education Foundation – the RIPPLE Project	1	28,523	(28,524)	–	–
Kids in Need of Defence	275	206,824	(207,100)	–	(1)
Voluntary Sector Consortium – Coventry Healthwatch	–	43,384	(43,384)	–	–
The Baring Foundation – Mother and Child Project	5,287	59,894	(58,552)	–	6,629
Coventry City Council – Syrian Families Project	2,438	75,000	(69,030)	–	8,408
Allen & Overy – Volunteers	–	11,073	(11,073)	–	–
Legal Education Foundation – KIND IT Strategy	–	7,500	(7,500)	–	–
Smallwood Trust – Improving Financial Security of Women	–	5,116	(3,991)	–	1,125
Money Advice Service – Debt Advice Service	5,223	51,235	(51,749)	–	4,709
Law Centres Network – Living Rights Project	–	14,543	(19,974)	5,431	–
Barrow Cadbury – Benefits Aware	–	38,498	(38,498)	–	–
The Oak Foundation – Legal Advice Project	–	69,499	(69,499)	–	–
Roof Appeal	–	2,000	–	–	2,000
Total restricted funds	52,403	1,747,221	(1,743,738)	5,431	61,317
General funds	1,165,918	424,878	(447,128)	(5,431)	1,138,237
Coventry University	–	47,745	(47,745)	–	–
University of Warwick	–	9,833	(9,833)	–	–
Birmingham City University	189	10,495	(10,684)	–	–
Total unrestricted funds	1,166,107	492,951	(515,390)	(5,431)	1,138,237
Pension reserve	(683,000)	59,000	–	–	(624,000)
Total funds including pension fund	535,510	2,299,172	(2,259,128)	–	575,554

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

Purposes of restricted funds

Coventry City Council – grant	To support legal casework for people in Coventry
Subscription fund	A regular donation to pay for a subscription is made by an ex-employee
The Baring Foundation SVTS Independence Grant Project 2011–2013	Evaluation to be carried out on the Troubled Families Project
Whitefriars Housing Association – Debt Advice Project	Funding for a debt advice service for customers of Whitefriars Housing
Coventry Building Society – Homelessness Prevention Project	Funding for debt advice to prevent Homelessness
Coventry City Council – Advice for Families	Working with the local authority's Family Hubs, to provide legal support to vulnerable families in the city
Virgin Health – Anchor Centre	Advice and casework for people that are homeless or insecurely housed
The Legal Education Foundation – Justice First Fellowships	Funding to support training contracts for social welfare lawyers
Metropolitan Migration Foundation – Roma Project	To provide advice to the Roma community in Coventry
Early Action Neighbourhood Fund/Coventry City Council – Ignite Project	A change programme in partnership with Grapevine to promote early action in two public services in Coventry
The Legal Education Foundation – the RIPPLE Project	A Public Legal Education Programme in the field of community care by working with groups of clients who have similar issues/needs
Kids in Need of Defence	Working with a consortium to establish a pro bono service for children to receive immigration advice
Voluntary Sector Consortium – Coventry Healthwatch	To provide independent advocacy to people with health complaints throughout Coventry
The Baring Foundation – Mother and Child Project	To build capacity in the advocacy sector to tackle issues raised for girls and women leaving care who are pregnant
Coventry City Council – Syrian Families Project	A joint programme of support to assist Syrian refugees to settle in the city
Allen & Overy – Volunteers	A contribution to supporting student pro bono clinics
Legal Education Foundation – KIND IT Strategy	To develop an IT strategy for Kids in Need of Defence
Smallwood Trust – Improving Financial Security of Women	A partnership with Women's Organisations in Coventry to provide more co-ordinated services for vulnerable women
Money Advice Service – Debt Advice Service	For the provision of a specialist adviser to provide debt advice
Law Centres Network – Living Rights Project	For advice and awareness raising about the rights of EU citizens living in the UK
Barrow Cadbury – Benefits Aware	To deliver training and use social media to build an informed community of advisers and claimants
The Oak Foundation – Legal Advice Project	Support to develop new housing and immigration legal advice services
Roof Appeal	To raise funds to repair the roof of the office at Walford Road
Coventry City Council – Welfare Benefits Advisor	Additional funding to employ a Welfare Benefits Advisor
Coventry City Council – MiFriendly Cities	To provide legal healthchecks to migrant communities with a focus on undocumented minors
Matrix Chambers contribution to Cloud Migration	Funding from counsel to implement Dragon Speechwrite
Birmingham City University – contribution to Cloud Migration	A one-off grant in support of moving our IT to the Cloud
Saintbury Trust – contribution to running costs	To support legal casework for people in Birmingham
AB Charitable Trust – contribution to running costs	To support legal casework for people in Birmingham
Access to Justice Foundation – contribution to running costs	To support legal casework for people in Birmingham
William Cadbury Trust – contribution to running costs	To support legal casework for people in Birmingham
Purposes of contracts	
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

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

	2019 £	2018 £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	221,271	40,044
Depreciation charges	9,085	13,779
Interest receivable	(712)	(473)
(Increase)/decrease in work in progress	(156,953)	(79,158)
(Increase)/decrease in debtors	(57,385)	(25,352)
Increase/(decrease) in creditors	51,207	280,894
(Decrease)/increase in pension scheme liability	(115,000)	(59,000)
Net cash provided by / (used in) operating activities	(48,487)	170,734

18 Analysis of cash and cash equivalents

	At 1 April 2018 £	Cash flows £	At 31 March 2019 £
Cash at bank and in hand	930,188	(50,060)	880,128
Total cash and cash equivalents	930,188	(50,060)	880,128

19 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	
	2019 £	2018 £	2019 £	2018 £
Less than one year	37,969	42,804	4,256	5,477
One to five years	8,667	24,969	888	5,144
	46,636	67,773	5,144	10,621

20 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.

21 Pension commitments

Some of the charitable company's employees belong to the Local Government Pension Scheme (LGPS), a defined benefit 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 £2,289 (2018 £2,266) were payable to the scheme at 31 March 2019 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 2019 was £35,468, of which employer's contributions totalled £29,846 and employees' contributions totalled £7,531. The agreed contribution rates for future years are 25.8% for employers and depending on salary 5.8%–8.5% for employees.

Principal Actuarial Assumptions	2019	2018
Discount rate for scheme liabilities	2.40%	2.55%
Rate of increase in salaries	3.90%	3.80%
Rate of increase of pensions	2.40%	2.30%

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	20.9	21.9
Females	23.2	24.3
<i>Retiring in 20 years</i>		
Males	22.6	24.0
Females	25.0	26.6

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

	2019	Value	2018	Value
	Expected	2019	Expected	2018
	rate of return	£'000	rate of return	£'000
Equities		1,371		1,405
Government Bonds		178		161
Other Bonds		91		84
Property		212		169
Cash/liquidity		123		54
Other		394		325
Total market value of assets	8.00%	2,369	22.00%	2,198
Present value of scheme liabilities – Funded		(2,878)		(2,822)
Deficit in the scheme		(509)		(624)

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 actual return on scheme assets was £177,000.

21 Pension commitments (continued)

	2019 £'000	2018 £'000
Amounts recognised in the statement of financial activities:		
Service cost	31	32
Net interest on the defined liability (asset)	16	18
Administration expenses	1	1
	<u>48</u>	<u>51</u>

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

	2019 £'000	2018 £'000
Change in benefit obligations		
Benefit obligation brought forward	2,822	2,827
Service cost	31	32
Interest cost	72	79
Change in financial assumptions	143	(85)
Change in demographic assumptions	(164)	-
Experience (gain) on defined benefit obligations	-	-
Contributions by scheme participants	6	6
Estimated benefits paid net of transfers in	(32)	(37)
	<u>2,878</u>	<u>2,822</u>

	2019 £'000	2018 £'000
Change in plan assets		
Fair value of plan assets brought forward	2,198	2,144
Interest on assets	56	61
Return on assets less interest	121	(59)
Other actuarial gain	-	-
Administration expenses	(1)	(1)
Contributions by employer including unfunded	21	84
Contributions by Fund participants	6	6
Estimated benefits paid net of transfers in	(32)	(37)
	<u>2,369</u>	<u>2,198</u>

The employer expects to contribute £20,996 in the year to 31 March 2020.

	2019 £'000	2018 £'000	2017 £'000	2016 £'000	2015 £'000
Five year history of experience adjustments					
Benefit obligation at year end	2,878	2,822	2,827	2,286	2,343
Fair value of plan assets at end of year	2,369	2,198	2,144	1,728	1,723
	<u>(509)</u>	<u>(624)</u>	<u>(683)</u>	<u>(558)</u>	<u>(620)</u>

Central England Law Centre Limited

Income and expenditure account

For the year ended 31 March 2019

	2019	2018
	£	£
Income		
Coventry City Council – fund	404,548	404,548
Legal Aid Agency	456,566	384,506
Coventry City Council – social services	35,178	35,178
Other profit costs	22,411	23,096
Income from liquidators	4,850	–
Donations	6,607	3,200
Miscellaneous income	–	578
Interest received	712	473
Training and awareness raising	12,583	13,625
Whitefriars Housing Association – Debt Advice Project	33,462	44,616
Coventry Building Society – Homelessness Prevention Project	15,000	15,000
Coventry City Council – Advice for Families	87,787	87,787
Coventry City Council – Syrian Families project	75,000	75,000
Coventry City Council – MiFriendly Cities	52,122	–
Coventry City Council – Welfare Benefits Advisor	31,761	–
Virgin Health – Anchor Centre	9,303	7,866
The Legal Education Foundation – Justice First Fellowships	53,224	94,517
Metropolitan Migration Foundation – Roma Project	–	18,600
Early Action Neighbourhood Fund/Coventry City Council – Ignite Project	441,682	425,420
The Legal Education Foundation – the RIPPLE Project	21,193	28,523
The Legal Education Foundation – KIND IT Strategy	–	7,500
Kids in Need of Defence	311,370	206,824
Voluntary Sector Consortium – Coventry Healthwatch	43,384	43,384
The Baring Foundation – Mother and Child Project	44,010	59,894
Matrix Chambers	5,000	–
Coventry University	87,241	47,745
University of Warwick	9,833	9,833
Allen & Overy – Volunteers	7,500	11,073
Smallwood Trust – Improving Financial Security of Women	17,000	5,116
Saintbury Trust	4,000	–
AB Charitable Trust	20,000	–
Access to Justice Foundation	10,000	–
William Cadbury Trust	20,000	–
Money Advice Service – Debt Advice Service	52,010	51,235
Law Centres Network – Living Rights Project	–	14,543
Birmingham City University	45,222	10,495
Barrow Cadbury – Benefits Aware	37,682	38,498
The Oak Foundation – Legal Advice Project	90,791	69,499
Red Cross – Families Together	12,250	–
Roof Appeal – Birmingham Community Law Centre	2,000	2,000
	2,583,282	2,240,172

Central England Law Centre Limited

Income and expenditure account

For the year ended 31 March 2019

	2019	2018
	£	£
Expenditure		
Salaries	1,820,977	1,669,813
Redundancy	-	3,121
Rent	51,137	47,435
Service charge	37,904	25,624
Telephone and broadband charges	11,103	10,970
Photocopying	7,830	8,660
Insurance	15,942	13,017
Advertising	750	749
Audit and accountancy	7,913	7,413
Professional fees	-	35,369
Bank charges	193	168
Miscellaneous	41,342	6,822
Subscriptions	11,396	9,570
Stationery and office supplies	3,830	3,679
Recruitment advertising	775	4,224
Publications	1,884	1,735
Postage and carriage	12,872	11,851
Courses	19,914	12,948
Travel	12,077	12,416
Citipay and DBS checks	4,346	3,870
Server maintenance & software support	48,160	24,993
Website maintenance & support	16,944	-
Depreciation and equipment	27,033	44,490
SQM audit	-	1,650
Disbursements and court expenses	7,573	3,792
Donations	-	200
Volunteer expenses	1,022	60
Payments to clients	1,000	-
Spend on projects:		
Metropolitan Migration Foundation – Roma Project	-	4,349
The Baring Foundation STVS Independence Grant Project 2011–2013	2,566	-
Early Action Neighbourhood Fund/Coventry City Council – Ignite Project	151,878	175,912
The Legal Education Foundation – the RIPPLE Project	14,306	2,053
Kids in Need of Defence	200,838	110,536
Voluntary Sector Consortium – Coventry Healthwatch	114	-
The Baring Foundation – Mother and Child Project	16,220	25,688
Coventry City Council – Syrian Families project	28	-
Coventry City Council – MiFriendly Cities	4,959	-
Law Centre Network – Living Rights Project	-	974
Barrow Cadbury – Benefits Aware	106	977
Red Cross – Families Together	79	-
Roof Appeal – Birmingham Community Law Centre	4,000	-
	<u>2,559,011</u>	<u>2,285,128</u>
(Deficit)/Surplus of income over expenditure	<u>24,271</u>	<u>(44,956)</u>