

Registered number: 02524320
Charity number: 1004114

CUMBRIA LAW CENTRE
(A company limited by guarantee)

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

CUMBRIA LAW CENTRE
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the charity, its trustees and advisers	1
Trustees' report	2 - 10
Independent examiner's report	11
Statement of financial activities	12
Balance sheet	13
Notes to the financial statements	14 - 24

CUMBRIA LAW CENTRE
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2022**

Trustees

V A Lewis, Vice Chair
J Masson, Chair
J R Nicol
J Hunston, Treasurer
L E Rutherford
S Watson
K Lockney

Company registered number
02524320

Charity registered number
1004114

Registered office
8 Spencer Street
Carlisle
Cumbria
CA1 1BG

Senior management team
Pete Moran, Centre Manager

Accountants
Full Circle Accountancy Limited
Chartered Accountants
The Office
Mardale Road
Penrith
Cumbria
CA11 9EH

Bankers
Clydesdale Bank
82 English Street
Carlisle
Cumbria
CA3 8HP

CUMBRIA LAW CENTRE
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The Trustees present their Annual Report together with the financial statements of the charity for the 1 April 2021 to 31 March 2022. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), 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) as amended by Update Bulletin 1 (effective 1 January 2015). The Trustees (who are also directors of the charity for the purposes of the Companies Act) confirm that the Annual Report and financial statements of the charity comply with current statutory requirements and the requirements of the charity's governing document.

Since the charity qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Objectives and Activities

POLICIES AND OBJECTIVES

The Law Centre is established for the following purposes:

- (i) to afford those without or lacking access to advice, information or education the ability and opportunity to protect and defend their legal rights and entitlements and to obtain redress for wrongs they have suffered
- (ii) the advancement of education amongst persons resident or working in the benefit area.
- (iii) the advancement of such other charitable purposes as are beneficial to the persons resident or working in the benefit area.

Our purpose is to provide free, easily accessible legal services to local people. Our emphasis is on combating poverty, oppression and social exclusion.

We hope, through the use of legal means, to achieve social change for the better.

STRATEGIES FOR ACHIEVING OBJECTIVES

The Law Centre currently serves the residents of Carlisle, Eden, Allerdale and Copeland. As a Law Centre, our emphasis is on tackling difficulties of poverty and oppression, and we make a priority of addressing the needs of those who cannot access legal help from private solicitors, and those who find it difficult for other reasons of exclusion to access services.

We deliver our core initial legal advice in three ways:

- Telephone advice line (01228 515129) open to any resident of Carlisle, Allerdale, Copeland and Eden for advice on any weekday morning. We receive up to 30 new queries every day.
- Working in partnership with organisations such as Eden Housing Association including appointments at their premises and home visits. Home visits have grown as a key way of accessing vulnerable clients.

We conduct in-depth casework to a specialist level in the following areas of law: housing, employment, welfare benefits, debt. Our casework activity is funded chiefly through our contract with the Legal Aid Agency.

CUMBRIA LAW CENTRE
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2022

Achievements and performance

REVIEW OF ACTIVITIES

We had expected that, during this reporting year, we would see a significant rise in demand for our services in housing cases. Financial conditions were tough with rising inflation, the eviction ban coming to an end and, although unemployment was notionally quite low, we were aware of many local people who were in work but earning very low wages and struggling with living costs. But simultaneously, we saw several factors that worked to keep the number of people coming to court quite low. The main one was that social housing providers worked hard in support of struggling tenants and acted more flexibly in relation to rent arrears. This meant that the process of bringing possession proceedings against tenants was much more drawn out. This is to be applauded in so far as it delays a person potentially becoming homeless. However, there are downsides too. When people did come to court, they were often carrying much greater levels of housing debt. And, in the private rented sector, people often did not even come to court but instead put their efforts into finding new accommodation, while accepting the outcome of the hearing without any contest on their part. This all served to reduce the amount of 'typical' housing work undertaken by the centre and, as a result, reduced significantly the amount of legal aid we earned. Our housing workers were mainly taken up with smaller numbers of very complicated cases for very vulnerable and complex clients. That work is taxing and difficult. The reduced legal aid income had implications for all of our activities and our ability to recruit. But we still did well, filling two out of the three intended roles and developing both our employment offer and our fundraising capacity.

Our performance against objectives:

MAIN OBJECTIVES FOR THE YEAR WERE:

Service Delivery

1.Continue with Covid-safe business practices in changing conditions.

(Achieved – a mixture of telephone, electronic and face-to-face work including court duty attendance allowed us to continue effectively and safely.)

2. Succeed in attaining new Legal Aid housing contract if and when tendered.

(Achieved – a new contract was not tendered but we secured extensions to our existing contracts)

3.Develop our funded housing work in areas such as injunctions.

(Achieved – in the absence of much of the typical rent arrears housing work that we normally pick up, we took on many complex cases for clients who would not have found such support anywhere else.)

4. Retain delivery of employment law and develop charging for services potential.

(Partly achieved – we were indeed able to recruit an experienced employment solicitor in 2021 but have not yet progressed charging for services. However, thus far that has been through active choice rather than a failure to achieve an objective. Wherever possible we want all our services to remain free to the user.)

5.Retain our cooperation with Eden Housing Association.

(Achieved – despite all of the pressures on housing providers, we were delighted that EHA continued to support this excellent project and we sincerely thank them for that.)

6.Continue work on upgrades and redecoration of our building – Lottery bid.

(Not achieved – however much work has been done on getting quotes for work on our current building along with exploring other possibilities such as disposal of the building and moving to rented premises. This work is ongoing)

7.Ensure compliance with Lexcel Standards.

(Achieved – we passed our full audit with plenty of excellent feedback, just a few areas for improvement and no non-compliances – neither major nor minor)

Finance/Funding

1.Set and achieve a budget which represents breakeven performance over the years 2021-22.

(Achieved – this year's accounts show a modest operating deficit but, set against the surplus of 2021, this represents slightly better than breakeven performance over that period.)

2.Enhance fundraising capabilities either by working with fundraisers or recruiting development worker.

(Achieved – we have worked with fundraisers who have been provided to us via support from LCN but also hired a new Office Manager who is dedicating approximately one day per week to fundraising support and is adding much to our abilities in that area)

3.Find one new major funder of £50k per annum or more.

(Not achieved – we didn't find a specific, new source of income at this level but there has been better news since then which will appear in next year's report.)

CUMBRIA LAW CENTRE
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2022

4. Protect our local authority funding where possible and prepare for implications of Unitary Authority.

(Achieved – we managed to retain our funding from Carlisle City Council and Copeland, the latter committing to two years' funding taking us through the first year of Local Government Reorganisation)

Personnel/Recruitment

1. Recruit new solicitor / caseworker in housing.

(Not achieved – we simply did not see the expected swell in legal aid casework to support such a recruitment. See the 'In conclusion' section below for details)

2. Recruit new solicitor / caseworker in employment.

(Achieved – a new qualified solicitor was recruited in 2021)

3. Successfully recruit to replace retiring office manager.

(Achieved – firstly a new Administrator was recruited who has since become office manager including fundraising activities)

4. Manco development - review and recruit as necessary for future stability.

(Partially achieved – we were able to recruit a valuable, new trustee but there is much work to be done in developing the Managing Committee for the future and, at the time of writing, there is a lot of energy being put into that task)

Outreach

1. Event to mark 30-year anniversary – missed due to knockdowns in 2020

(Not achieved – despite improving conditions around Covid and relaxing of restrictions etc, there was still considerable reticence from many people in terms of attending large, in-person events. It was decided that, given that uncertainty, putting a lot of time into such an event was not likely to be a good use of time or resources)

2. Further develop links with commercial practices to enhance our services and sharing of supervision etc.

(Partially achieved – some good informal links were nurtured, including between local practitioners who had once been volunteers at the centre, but we believe that there is still much work to do in building a support base, including financial support, for our work amongst local practices.

3. Enhance CLC's membership programme.

(Partially achieved – we have grown the number of listed members of the programme but there is still great deal of work to do in connecting with that group and growing our engagement productively for both them and the centre)

MAIN OBJECTIVES FOR THE YEAR AHEAD ARE:

Service Delivery

1. Continue with Covid-safe business practices in changing conditions.
2. Succeed in attaining new Legal Aid housing contract if and when tendered.
3. Attain new housing court duty contract.
4. Explore and pursue opportunities in other, emerging legal aid funded areas such as for probation service users
5. Develop our funded housing work in areas such as injunctions.
6. Develop delivery of employment law and potential for charging for services.
7. Retain our cooperation with Eden Housing Association.
8. Continue work on upgrades and redecoration of our building, including a full appraisal of all work that is needed, up-to-date estimates / quotations and detailed prioritising of those jobs for funding purposes
9. Submit Lottery bid in relation to that building work.
10. Ensure compliance with Lexcel Standards.

Finance/Funding

1. Set and achieve a budget that represents breakeven performance over the years 2022/2023.
2. Enhance fundraising capabilities either by working with fundraisers or recruiting a development worker.
3. Protect our local authority funding in Carlisle and Copeland.

Governance

1. Support Management Committee's development, governance work and recruitment.

CUMBRIA LAW CENTRE
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2022

Outreach

1. Further develop links and referral activity with local private practice.
2. Develop initiative to promote the centre to the public and develop membership as a result.

In conclusion

2021/22 was, in the event very much a 'holding' year at the centre. We had begun the year quite confident that we would slightly exceed our target of a breakeven position over the year ending 2021-22. But, in the event, as detailed above, legal aid was not available to us at the levels we had anticipated. Nevertheless we still maintained a steady position, ending the year with a little over three months' cash at the bank. At the time of writing, there has been, albeit delayed, some increasing demand in legal aid-eligible cases and, as of November 2022, it is expected that the year to March 2023 may well end in a small operating surplus.

Highlights of the period included the recruitment of two new employees, Jo-Anne Wood, now Office Manager, who has proven to be an excellent addition to the team in all respects and Adrian Farley, an experienced employment solicitor who, as well as having worked at a law centre before, also has local government experience as a city councillor in Bradford. At the same time, we said an emotional farewell to our long-serving and highly valued Office Manager, Annette Oxley. Annette brought great conscientiousness, experience and industry to the role and helped see us through some very challenging times with a rapidly changing legal aid landscape in the early 2000's. She also drove the social side of the centre and was a great organiser of events from AGMs to Christmas lunches. We sincerely thank her and wish her a very happy retirement.

In terms of our Management Committee, I (Stuart Watson) took on the role of Chair at the AGM in November 2021 and would like to thank John Masson from whom I collected the baton. John was as tireless and diligent a Chair as one could hope for and a great leader and supporter of the centre, its people and its work. I know that I also speak for our Head of Centre, Pete Moran here, who has asked me to convey his personal thanks and appreciation for the endless effort and care shown by John as he consistently went beyond the duties of the role to work with and support Pete, always acting professionally, energetically and with warmth and care. We sincerely appreciate all that John has done here and continues to do as member of the Management Committee. I would also like to acknowledge the work of long-serving treasurer, John Hunston who continues to bring both thoughtful and realistic guidance to the centre management through his understanding of the needs of small charities such as this one. I was also pleased to welcome Michelle Wright to the board, an excellent addition who brings understanding of legal services and the social issues into which we work.

Thank you too, of course, to all staff and volunteers. The Management Committee recognises that, not only is the work we undertake demanding, but that, as conditions worsen for many clients, it is inevitable that we are called on to help increasing numbers of desperate people, many of whom are in mental health crises. Supporting them through their time of crisis can often be a difficult and draining experience for all. All staff and volunteers play their invaluable part, not only in helping clients to get the legal help they need, but in doing all we can to support and stabilise those people who come to us on the edge, financially, emotionally and psychologically.

The centre has continued to work via a mixture of some face-to-face appointments, telephone sessions and home visits. This mix has meant that we have not returned to the daily drop-in which often saw a very crowded waiting room in the mornings - not ideal in these times - and also an occasionally overwhelming burden on the person undertaking triage duties. We have still largely had our door open though, so that people can walk in and hear about our services and make an appointment where appropriate. Depending on staff capacity and demand, we will review our drop-in sessions during 2022/23.

At the time of writing, it is clear that factors such as rapidly rising inflation and the front-end of what seems like it might be a deep and long recession, are conspiring to put severe pressure on those with both low and middle incomes. We often see that the people most likely to get into severe difficulties and face the loss of their homes are in fact working people. They may have an income split between some earned income and some Universal Credit or may just be on a low wage in a high-cost environment. Add to this the 'premiums' of rurality and scarce and expensive public transport, older, sometimes stone-built housing stock with poor energy efficiency etc. and dwindling availability of financial help from such funds as Discretionary Housing Payments, and there is no mistaking that the period ahead of us looks tough. It will be tough for clients and it will be tough for charities such as ours. Keeping our own lights on and our offices sufficiently warm in winter has become a real challenge and a concern. But, with the commitment of our trustees, staff and volunteers, we face those challenges with purpose and energy.

Finally, as ever, we would like to thank those who have contributed to us financially during this year, namely:

CUMBRIA LAW CENTRE
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2022

Carlisle City Council
Copeland Borough Council
The Indigo Trust
Eden Housing Association
The Legal Aid Agency

We sincerely appreciate your help and understanding of our work and our needs and we could not serve our community without your support.

As we do every year, we have also produced a small volume of case studies that go some way to describing the difficulties faced by our clients, our work in response and the help provided to us by our volunteers.

We really encourage you to read that in conjunction with this report and attached accounts to understand the human and legal aspects of our work better. It is available electronically via our website and Facebook page or you can email jo-annewood@cumbria-law.org.uk to have a copy sent to you. The stories told in there are important and often very moving.

CUMBRIA LAW CENTRE
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2022

Financial review

GOING CONCERN

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks. The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

RESERVES POLICY

In order to enable the uninterrupted service of the charity, free reserves equivalent to three months' of the total unrestricted expenditure should be maintained. If the level of free reserves should fall below this level, the trustees and management committee will be informed at the first available meeting and action shall be decided upon to obviate any risk to service.

At the year end, there are insufficient free reserves to meet the target reserves of three months operating expenditure. The trustees are aware of this shortfall in reserves and aim to restore the required level as soon as possible but realise that this will not be achieved in the short term. Improved working practices have resulted in improved income from the Legal Aid Agency; however the Trustees continue to seek additional sources of income to restore the reserves position.

PRINCIPAL FUNDING

The Law Centre's chief sources of income are the Legal Aid Agency, Eden Housing Association and the local authorities, Carlisle City Council and Copeland Borough Council. The Management Committee are grateful to all three local authorities for their continuing support for the Law Centre's vital work. In this financial year the Law Centre has also benefited from funds received from Indigo Trust and The Big Lottery as well as Cumbria Community Foundation.

In order to sustain all of the Law Centre's activities, additional funding is required, and the current business plan contemplates successful bids for new funding over the next few years. We continue to work hard to find alternative sources to help us continue as much of our provision as possible.

MATERIAL INVESTMENTS POLICY

Cumbria Law Centre operates in accordance with the powers detailed within its Memorandum and Articles of Association.

CUMBRIA LAW CENTRE
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2022

Structure, governance and management

CONSTITUTION

The charity is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 20 July 1990. The Memorandum and Articles of Association comprise the governing document.

METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

The management of the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association. Under the Law Centre's Articles of Association the Trustees are known as the management committee. The committee is re-elected each year at the Annual General Meeting. The Law Centre seeks to ensure that its management committee is representative of the communities that it serves.

POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

The Law Centre recognises the need for its management committee members to be familiar with the work of the organisation. The Law Centre runs an annual Staff and Trustee training day and arranges other in-house training to meet identified needs. Trustees are also encouraged to attend external training to develop their skills and to keep their knowledge current. An annual budget is set aside for Trustees' training.

ORGANISATIONAL STRUCTURE AND DECISION MAKING

There shall not be fewer than five, nor more than thirteen members of the Trustees (management committee). Following the amendments to the Constitution made in 2014, Trustees are no longer drawn from particular organisations but are chosen from the community on their own merits following open recruitment.

RELATED PARTY RELATIONSHIPS

There are none to declare.

RISK MANAGEMENT

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks. The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

The major risk to which the charity is exposed is the financial risk of lack of committed long term core funding. While the charity is funded by the Legal Aid Agency (formerly the Legal Services Commission), or by service level agreements with local authorities, the provision of services is always dependent upon the goodwill and continued support of these bodies. The trustees have been active in ensuring that the requirements of the ongoing Legal Aid Agency contracts have been met by staff. This has been a key piece of work during this period.

In order to mitigate the risk, the management committee through the Head of Centre seeks to meet all contract and agreement targets, and to negotiate continued realistic funding, which will allow service provision and the Law Centre to meet its constitutional objectives.

CUMBRIA LAW CENTRE
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2022

TRUSTEES' INDEMNITIES

The charity has insurance that provides an indemnity for a trustee against any liability in connection with any negligence, default, breach of duty or breach of trust by them relation to the charity.

MEMBERS' LIABILITY

The Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up.

CUMBRIA LAW CENTRE
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2022

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of Cumbria Law Centre for the purposes of company law) are responsible for preparing the Trustees' 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. Under company law the Trustees must not approve the financial statements unless they are satisfied that they 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 judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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 preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Trustees, on 16 November 2022 and signed on their behalf by:

J Hunston, Treasurer

CUMBRIA LAW CENTRE
(A company limited by guarantee)

INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2022

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF CUMBRIA LAW CENTRE (the 'charity')

I report to the charity Trustees on my examination of the accounts of the charity for the year ended 31 March 2022.

This report is made solely to the charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the charity's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body, for my work or for this report.

RESPONSIBILITIES AND BASIS OF REPORT

As the Trustees of the charity (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

INDEPENDENT EXAMINER'S STATEMENT

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of The Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I can confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed:

Dated: 16 November 2022

Jonathan Miller FCA DChA

FULL CIRCLE ACCOUNTANCY LIMITED
Chartered Accountants

CUMBRIA LAW CENTRE
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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE
ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
INCOME FROM:					
Donations and legacies	2	87,296	-	87,296	93,599
Charitable activities	3	197,101	66,000	263,101	294,209
Investments	4	35	-	35	76
TOTAL INCOME		<u>284,432</u>	<u>66,000</u>	<u>350,432</u>	<u>387,884</u>
EXPENDITURE ON:					
Charitable activities	7	241,020	118,717	359,737	354,446
TOTAL EXPENDITURE	8	<u>241,020</u>	<u>118,717</u>	<u>359,737</u>	<u>354,446</u>
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		43,412	(52,717)	(9,305)	33,438
NET MOVEMENT IN FUNDS		43,412	(52,717)	(9,305)	33,438
RECONCILIATION OF FUNDS:					
Total funds brought forward		56,430	71,630	128,060	94,622
TOTAL FUNDS CARRIED FORWARD		<u>99,842</u>	<u>18,913</u>	<u>118,755</u>	<u>128,060</u>

The notes on pages 14 to 24 form part of these financial statements.

CUMBRIA LAW CENTRE
(A company limited by guarantee)
REGISTERED NUMBER: 02524320

BALANCE SHEET
AS AT 31 MARCH 2022

	Note	£	2022 £	£	2021 £
FIXED ASSETS					
Tangible assets	12		13,668		15,700
CURRENT ASSETS					
Debtors	13	3,170		9,817	
Cash at bank and in hand		117,282		116,776	
		<u>120,452</u>		<u>126,593</u>	
CREDITORS: amounts falling due within one year	14	<u>(15,365)</u>		<u>(14,233)</u>	
NET CURRENT ASSETS			<u>105,087</u>		<u>112,360</u>
NET ASSETS			<u>118,755</u>		<u>128,060</u>
CHARITY FUNDS					
Restricted funds	15		18,913		71,630
Unrestricted funds	15		99,842		56,430
TOTAL FUNDS			<u>118,755</u>		<u>128,060</u>

The charity's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The Trustees consider that the charity is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the charity to obtain an audit for the year in question in accordance with section 476 of the Act.

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved and authorised for issue by the Trustees on 16 November 2022 and signed on their behalf, by:

J Hunston, Treasurer

The notes on pages 14 to 24 form part of these financial statements.

CUMBRIA LAW CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

I. ACCOUNTING POLICIES

I.1 Basis of preparation of financial statements

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) and the Companies Act 2006.

Cumbria Law Centre meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

I.2 Income

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

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

I.3 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Charitable activities and Governance costs are costs incurred on the charity's educational operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

CUMBRIA LAW CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

I. ACCOUNTING POLICIES (continued)

I.4 Tangible fixed assets and depreciation

All assets costing more than £250 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	10% reducing balance
Fixtures and fittings	-	20% reducing balance and 20% straight line
Property improvements	-	17% reducing balance

I.5 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.

I.6 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

I.7 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

I.8 Cash at Bank and in hand

Cash at bank and 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.

I.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

I.10 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.

CUMBRIA LAW CENTRE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

1. ACCOUNTING POLICIES (continued)

1.11 Corporation Tax

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

1.12 Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.13 Valued added tax

The charity is registered for VAT. Expenditure is shown net of VAT where a reclaim of VAT is allowed under the terms of the registration.

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Donations	600	-	600	620
Grants	80,013	-	80,013	81,800
Government grants	6,683	-	6,683	11,179
	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and legacies	87,296	-	87,296	93,599
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<i>Total 2021</i>	93,599	-	93,599	
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Legal Services	36,370	-	36,370	39,083
Grants	160,731	66,000	226,731	255,126
	<hr/>	<hr/>	<hr/>	<hr/>
	197,101	66,000	263,101	294,209
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<i>Total 2021</i>	214,209	80,000	294,209	
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	

CUMBRIA LAW CENTRE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

Grants received

	2022 £	2021 £
Carlisle City Council	90,100	75,100
Allerdale Borough Council	-	19,500
Copeland Borough Council	20,000	15,000
Eden Housing Association	66,000	30,000
Carlisle and Eden Mind	-	15,526
Esmee Fairbairn Trust	-	25,000
Cumbria County Council	-	5,000
Cumbria Community Foundation	-	20,000
The Indigo Trust	50,631	50,000
	<u>226,731</u>	<u>255,126</u>
Total	<u>226,731</u>	<u>255,126</u>

4. INVESTMENT INCOME

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank interest	35	-	35	76
	<u>35</u>	<u>-</u>	<u>35</u>	<u>76</u>
Total 2021	<u>76</u>	<u>-</u>	<u>76</u>	

5. DIRECT COSTS

	Legal Services £	Total 2022 £	Total 2021 £
Premises expenses	3,986	3,986	3,390
Computer costs	-	-	307
Travel and subsistence	1,875	1,875	-
Legal and professional	15,788	15,788	10,912
Equipment leasing	8,514	8,514	7,031
Sundry	3,655	3,655	1,103
Training	3,419	3,419	2,041
Wages and salaries	258,642	258,642	269,082
National insurance	19,276	19,276	20,421
Pension cost	12,657	12,657	13,389
Depreciation	3,129	3,129	3,229
	<u>330,941</u>	<u>330,941</u>	<u>330,905</u>
Total 2021	<u>330,905</u>	<u>330,905</u>	

CUMBRIA LAW CENTRE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

6. SUPPORT COSTS

	Legal Services £	Total 2022 £	Total 2021 £
Telephone	6,867	6,867	4,686
Computer costs	1,962	1,962	1,512
Printing postage stationery	2,973	2,973	4,680
Legal and professional	2,902	2,902	1,023
Repairs and maintenance	4,647	4,647	3,652
Sundry	1,600	1,600	679
Insurances	5,980	5,980	5,607
	<u>26,931</u>	<u>26,931</u>	<u>21,839</u>
<i>Total 2021</i>	<u>21,839</u>	<u>21,839</u>	

7. GOVERNANCE COSTS

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Accountancy	1,792	-	1,792	1,700
Bank charges	73	-	73	2
	<u>1,865</u>	<u>-</u>	<u>1,865</u>	<u>1,702</u>

8. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE

	Staff costs 2022 £	Other costs 2022 £	Total 2022 £	Total 2021 £
Legal Services	290,575	67,297	357,872	352,744
Expenditure on governance	-	1,865	1,865	1,702
	<u>290,575</u>	<u>69,162</u>	<u>359,737</u>	<u>354,446</u>
<i>Total 2021</i>	<u>302,892</u>	<u>51,554</u>	<u>354,446</u>	

CUMBRIA LAW CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

9. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2022	<i>2021</i>
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	3,129	<i>3,229</i>
Pension costs	12,657	<i>13,389</i>
	=====	=====

During the year, no Trustees received any remuneration (2021 - £NIL).

During the year, no Trustees received any benefits in kind (2021 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2021 - £NIL).

10. INDEPENDENT EXAMINER'S REMUNERATION

The Independent Examiner's remuneration amounts to an Independent Examination fee of £1,200 (2021 - £1,000).

CUMBRIA LAW CENTRE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

11. STAFF COSTS

Staff costs were as follows:

	2022 £	2021 £
Wages and salaries	258,642	269,082
Social security costs	19,276	20,421
Other pension costs	12,657	13,389
	290,575	302,892

The average number of persons employed by the charity during the year was as follows:

	2022 No.	2021 No.
Charitable staff	9	9
Support staff	2	2
	11	11

No employee received remuneration amounting to more than £60,000 in either year.

12. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Computer equipment £	Property improvements £	Total £
Cost					
At 1 April 2021	81,310	44,557	15,498	21,020	162,385
Additions	-	-	1,097	-	1,097
At 31 March 2022	81,310	44,557	16,595	21,020	163,482
Depreciation					
At 1 April 2021	73,618	42,011	10,681	20,375	146,685
Charge for the year	769	509	1,741	110	3,129
At 31 March 2022	74,387	42,520	12,422	20,485	149,814
Net book value					
At 31 March 2022	6,923	2,037	4,173	535	13,668
At 31 March 2021	7,692	2,546	4,817	645	15,700

CUMBRIA LAW CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

13. DEBTORS

	2022	<i>2021</i>
	£	<i>£</i>
Trade debtors	-	3,018
Prepayments and accrued income	3,170	6,799
	<hr/> 3,170 <hr/>	<hr/> <i>9,817</i> <hr/>

14. CREDITORS: Amounts falling due within one year

	2022	<i>2021</i>
	£	<i>£</i>
Trade creditors	6,242	3,824
Other taxation and social security	4,205	5,521
Other creditors	3,688	3,688
Accruals and deferred income	1,230	1,200
	<hr/> 15,365 <hr/>	<hr/> <i>14,233</i> <hr/>

CUMBRIA LAW CENTRE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

15. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2021 £	Income £	Expenditure £	Balance at 31 March 2022 £
Unrestricted funds				
Unrestricted Funds	56,430	284,432	(241,020)	99,842
Restricted funds				
Restricted funds	71,630	66,000	(118,717)	18,913
Total of funds	<u>128,060</u>	<u>350,432</u>	<u>(359,737)</u>	<u>118,755</u>

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 April 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Balance at 31 March 2021 £</i>
Unrestricted funds				
Unrestricted Funds	83,030	307,884	(334,484)	56,430
Restricted funds				
Restricted funds	11,592	80,000	(19,962)	71,630
Total of funds	<u>94,622</u>	<u>387,884</u>	<u>(354,446)</u>	<u>128,060</u>

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 April 2021 £	Income £	Expenditure £	Balance at 31 March 2022 £
Unrestricted funds	56,430	284,432	(241,020)	99,842
Restricted funds	71,630	66,000	(118,717)	18,913
	<u>128,060</u>	<u>350,432</u>	<u>(359,737)</u>	<u>118,755</u>

CUMBRIA LAW CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

15. STATEMENT OF FUNDS (continued)

SUMMARY OF FUNDS - PRIOR YEAR

	<i>Balance at 1 April 2020</i>	<i>Income</i>	<i>Expenditure</i>	<i>Balance at 31 March 2021</i>
	£	£	£	£
Unrestricted funds	83,030	307,884	(334,484)	56,430
Restricted funds	11,592	80,000	(19,962)	71,630
	<u>94,622</u>	<u>387,884</u>	<u>(354,446)</u>	<u>128,060</u>
	<u><u>94,622</u></u>	<u><u>387,884</u></u>	<u><u>(354,446)</u></u>	<u><u>128,060</u></u>

CUMBRIA LAW CENTRE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	13,668	-	13,668
Current assets	97,851	22,601	120,452
Creditors due within one year	(11,677)	(3,688)	(15,365)
	<u>99,842</u>	<u>18,913</u>	<u>118,755</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	15,700	-	15,700
Current assets	51,275	75,318	126,593
Creditors due within one year	(10,545)	(3,688)	(14,233)
	<u>56,430</u>	<u>71,630</u>	<u>128,060</u>

17. OPERATING LEASE COMMITMENTS

At 31 March 2022 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2022 £	2021 £
Amounts payable:		
Between 1 and 5 years	<u>15,200</u>	<u>22,000</u>

18. VOLUNTEERS

The Law Centre is currently fortunate to have 12 volunteers, undertaking reception and administration duties, legal research and invaluable data entry. We really appreciate the support of colleagues in providing the volunteers with a holistic experience of Cumbria Law Centre. They contribute more than 5,000 hours to the Centre each year and 2021/22 was no different. In the past 12 months, six volunteers have moved into a variety of full and part-time employment. One volunteer was successful in gaining employment as a full time paralegal at a firm of solicitors. The feedback from the solicitors practice was that volunteering and taking part in the Law Student's Project at Cumbria Law Centre gives a good grounding to those who are wanting to enter the field of Law. Consequently, we have had a substantial influx of new volunteers over the past 12 months, which has given us new energy and enthusiasm as we continue to welcome and assist those in the greatest need in the local community. Volunteers play an integral part in the greeting of clients to Cumbria Law Centre and all areas of CLC life. Their commitment is humbling and truly inspirational. Thank you to all volunteers, both past and present.