

Company registration number: 01653936

Charity registration number: 1105937

# NORTH EAST LAW CENTRE

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2023

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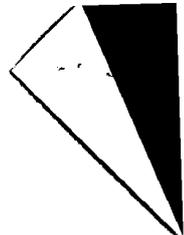
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## **North East Law Centre**

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## North East Law Centre

### Reference and Administrative Details

#### Trustees

Mr D Slater, Chair  
Mr J Cripps, Vice Chair  
Mr P Jones  
Mr A D Wake (resigned 3 April 2023)  
Mrs K J Proud  
Ms S E Fansh (resigned 13 April 2023)  
Mrs A Khatiri  
Prof P Hopkins  
Mr M Tse, Treasurer  
Mr C J Whittle (appointed 12 April 2023)

#### Key Management Personnel

Mr M Fawole Centre Director  
Mrs C Hurst Senior Solicitor  
Mrs J Maxwell Finance Officer  
Board of Trustees

#### Principal Office

MEA House  
Ellison Place  
Newcastle upon Tyne  
NE1 8XS

Company Registration Number 01653936

Charity Registration Number 1105937

#### Bankers

The Co-operative Bank plc  
84-86 Grey Street  
Newcastle upon Tyne  
NE1 6BZ

#### Independent Examiner

Simon Brown BA ACA DChA  
Azets Audit Services  
Bulman House  
Regent Centre  
Gosforth  
Newcastle upon Tyne  
NE3 3LS

## **North East Law Centre**

### **Trustees' Report**

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 March 2023.

#### **Structure, governance and management**

##### ***Nature of governing document***

North East Law Centre is a registered charity and company limited by guarantee. The company is governed by its Memorandum and Articles of Association and was incorporated on 26 July 1982 and last amended on 23rd April 2018 - number 01653936 and is also a registered charity - number 1105937.

##### ***Recruitment and appointment of trustees***

Trustees are recruited wherever possible by advertisement. It is open to anyone to apply to become a trustee however, our aim is always to ensure that all our trustees have skills that support our aims and objectives. All appointments must be ratified by the Board. Trustees stand for a fixed term of three years and are re-elected at the Annual General Meeting.

##### ***Induction and training of trustees***

Trustees receive an induction with the Centre Director where policies, procedures, current and past work are discussed. Each member receives a copy of the governance manual.

The Trustees have placed particular emphasis on Equality, Diversity and Inclusion in the past year and have worked closely with an independent consultant to improve their understanding of institutional barriers facing minorities. Trustee recruitment has brought greater diversity, but the Trustees remain aware that as a Board we do not fully reflect the lived experience of our clients. We are developing a plan to ensure we do all we can to tackle systemic and other barriers to equality.

##### ***Organisational structure***

The charity is managed by the trustees who meet at least 6 times per year. The trustees, who served during the year and up to date of the report, are set out on page 1. There were some changes in the trustees this year, but the breadth of experience of the board continues to increase with a range of required skills to better support the organisation.

The operational management of the organisation is undertaken by the paid staff team.

The trustees have examined the major risks which the charity faces in relation to external factors, governance and management, internal operations, and business. The trustees have considered the likelihood and the impact of risks, and continually review the systems in place to reduce those risks. The systems are being designed to provide reasonable assurance against material loss.

## **North East Law Centre**

### **Trustees' Report**

#### **Objectives and activities**

##### ***Objects and aims***

North East Law Centre was established in 1978 to promote access to legal justice and promote social justice, and to serve the needs of traditionally oppressed groups and those whose access to the legal system is restricted. The Law Centre seeks to achieve this by employing a variety of methods of work, including individual case work and advice work, training, and access to resources. NELC delivers grant-funded work in employment, immigration, asylum, family, welfare benefits and education law.

The Law Centre provides free and (increasingly, where clients are ineligible for free advice, and have some means of paying) low-cost legal advice and representation to people living, working or studying in the North East on low incomes. The priority areas of work for the Law Centre reflect the needs of the users, and its policy to work against discrimination.

##### ***Fundraising disclosures***

The charity is required to report how it deals with fundraising from the public. The charity does not use a professional fundraiser or commercial participator to raise funds. Any monies raised direct from the public follows all guidelines set out by the Charity Commission and UK law in every respect. We respect the privacy and contact preferences of all public donors.

##### ***Public benefit***

The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

##### ***Disclosure of information to auditor***

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

#### **Our Purposes and Activities**

North East Law Centre (NELC) provides free specialist legal advice and representation targeted at groups in the community who have the greatest need including the unemployed and low paid, disabled people, minority communities, and women and children. Most of our services are delivered in partnership with trusted sector partners and we currently run a range of legal advice and representation projects in immigration and asylum, family, welfare benefits, employment and education law, as well as targeted community legal education.

NELC has also developed several pro bono services in partnership with legally qualified volunteers and we have continued to increase our capacity through established links and partnerships with local practitioners and currently provide discrimination, education, criminal law and Welfare Rights law pro bono advice services. We continue to work with Law Works and other bodies including two of the regional universities and the Bar Pro Bono Unit.

Our main focus is currently to increase access to justice and remove barriers for vulnerable clients particularly in terms of understanding their rights to public services, navigating the legal system, legal terminology, knowledge of the law and procedure, and dealing with copious paperwork when accessing public services.

The Law Centre's in-house specialist solicitors and non-practising barristers deal with complex legal issues that transform the lives of the people with whom we work, alleviating poverty and tackling social exclusion.

## North East Law Centre

### Trustees' Report

Our vision is that people in North East England with poor access to justice know their legal rights and can exercise them, have confidence, allies, and routes to a better life.

Our mission is to help vulnerable and disadvantaged people to seek justice. To fulfil our mission, we:

- educate people about the law at scale, so that people understand what rights they have, thereby reducing their fears, confusions and distress.
- help people get justice who would not otherwise be able to by providing high-quality advice, advocacy and representation.
- create new routes to secure justice that are accessible, local and values-driven.

In accordance with our objectives, our main activities during the year have been:

- To provide free specialist social welfare law advice and representation in immigration and asylum, employment, discrimination, welfare benefits, family, and education.
- Our advice and casework were delivered through a combination of methods mainly by phone, online, face to face work, and some outreach.
- To provide a free frontline support, triage, referral and signposting service to enquirers who may or may not become advice/casework clients.
- To supplement the work done by the staff team through pro bono clinics offering advice on employment, family and civil law matters.
- To provide information, resources, a consultancy service and training to local voluntary advice and support agencies, so that agency staff are more aware of their clients' legal rights and can refer them to the Law Centre for help where appropriate, and that their own capacity is built to provide better support for clients in the future.
- To draw on the evidence we collate from our clients' experiences to develop insight into needs and experience, and an understanding of the impact of our work.
- To contribute to public policy discussion and reporting on legislation and policy issues which affect people's welfare.
- To train and develop our team of staff and volunteers.

Working in partnership is intrinsic to the sustainability of our organisation and sector, so we can achieve social impact and change for those we help. In order to achieve greater public benefit, the Law Centre is committed to continuing to work collaboratively across the voluntary, public, and private sectors. The Law Centre is a member of the Law Centres Network and various local/regional funded partnerships and other alliances and networks.

#### The 2022/23 year in focus

The Law Centre has emerged from the COVID-19 crisis stronger and more determined to provide our beneficiaries with the support they desperately need. As a result of the ongoing economic crisis, we have worked extensively with all our stakeholders to increase specialist advice provision and to continue to advocate boldly for more recognition and support for the people and communities we support. This year, we have made significant progress towards ensuring that some of the immediate needs of our beneficiaries are met. Unfortunately, coming out of the Covid-19 pandemic into the economic crisis, has presented significant challenges to the Law Centre but we are encouraged by the progress we have made in terms of securing multi-year grants to increased demand on our service, and that will enable the Centre to continue to contribute to positive change across the sector.

## **North East Law Centre**

### **Trustees' Report**

We are incredibly proud to work with so many community-based partners to deliver our service and to enable us to meet our regional remit and strategic objectives through partnership projects and referral pathways, to engage and support under-represented and vulnerable groups. Our beneficiaries have told us that they want more support to access our specialist advice services without excessive delays, and so we have increased our advice capacity to speed up access. Also, we have continued to use our experience to influence funders and other stakeholders, to increase access in parts of the region where there is little, or no specialist advice provision.

Our dedicated and passionate staff team have driven the charity's ongoing commitment to increasing access for our beneficiaries, and they have contributed immeasurably to our new strategic plan, over the next 12 months they will help to drive through our ambitious plans to secure additional grants to support the increased demand projected.

#### **Achievements and performance**

The charity's main activities and who we assist are described below. The Law Centre is focused on assisting people to overcome the effects of poverty and inequality. All our charitable activities focus is on people on low incomes and are undertaken to further the Centre's charitable purposes for the public benefit.

Our main activities during the year included: -

- An open-door reception and referral service available 5 days a week to help people identify the key legal issues they are facing and to link them with appropriate support (both within the organisation and externally)
- Specialist casework teams in immigration/asylum, family law, welfare rights, employment and education law.
- Outreach programme delivering weekly specialist legal advice sessions, normally based in front line services and community venues.
- Four pro bono clinics providing direct assistance with the help of volunteer lawyers, as well as other pro bono activity linked to specific projects and other casework teams. We commenced the criminal law clinic in November 2022 and the volume of enquiries has steadily increased.
- Specialist projects focussing on target client groups –Justice Together North East, Families Through Crisis (FTC), European Union Settlement Scheme (EUSS), Finding Legal Options for Women Survivors (FLOWS), Recovery Through Rights and Local Support for Litigants in Person (LSLIP).

#### **Beneficiaries of our Services**

Most of our beneficiaries are people on low income, those suffering poor mental health, and other vulnerable groups including victims of domestic abuse and some from migrant communities, increasingly they are presenting with clusters of legal issues that cut across more than one area of law or require the intervention of more than one specialist adviser.

## **North East Law Centre**

### **Trustees' Report**

#### **Client Profile**

The Covid-19 pandemic changed our service delivery methods, with most of our services now delivered remotely. However, accepting that remote delivery is not suitable for all our beneficiaries in particular some of our more vulnerable groups, we are collaborating with our community partners to explore options for engaging with some of our hard-to-reach client groups, and we have over the past year developed strong links with foodbanks, social prescription navigators and other grassroots organisations. Also, through our community legal education programme, we have continued to find new ways of empowering people to be more aware of their rights and to try to provide them with tools to challenge injustice themselves as well as continuing to provide specialist legal advice services to those who would otherwise be unable to get advice.

Our hybrid working arrangements for staff are now well established; whilst maintaining a client-centred approach to delivery, our team now work from the office part of the week and are able to choose when to work from the office or at home, depending on the requirements of our clients. We have also implemented a rota system so that our office spaces are not overcrowded and so that staff and clients can safely distance.

#### **Staff team**

The Charity has continued to increase its staffing resources and currently employs a team that includes: -

Director

Deputy Director

Senior solicitor – supervising all areas of the Law Centre's advice work

Solicitors – 5

Trainee solicitors - 3

Caseworkers – 3

Paralegals - 2

Consultants - 2

Reception and Referral team – 3

Business Support Manager

Finance Manager

Project Coordinator

#### **Reception and Referral Service**

In the year 2022/23, the service received 5342 enquiries (4247 in 2021/22), of which about 1900 came from people contacting the Law Centre for the first time. Our administrators have performed over and above expectation to ensure that calls into the Centre are handled quickly and in a professional manner and have consistently provided in-person support since the end of last year.

## North East Law Centre

### Trustees' Report

#### One-off advice, casework, advocacy and representation

The Law Centre directly received over five thousand unique enquiries, and we provided clients with one-off advice, casework and representation during the year including:

| Category               | Enquiries |
|------------------------|-----------|
| Immigration and Asylum | 1979      |
| Family                 | 381       |
| Education              | 33        |
| Welfare rights         | 455       |
| Employment             | 203       |
| Miscellaneous          | 379       |
| CICA                   | 15        |
| Crime                  | 144       |

There were significant casework successes in all areas of our service, for example, our welfare benefit advisers (1.6 FTE) secured an additional £350k in benefits for 50 of their clients. This equates to £7k per award and an average of £1.7k per client seen in the year. Over the year we supported clients presenting with more complex and clusters of issues that involved relationship breakdown/children, mental health, domestic violence, employment, homelessness problems, and their immigration statuses that gave rise to very complex, and arguably the most serious problems for most of our migrant clients.

We continue to learn from our beneficiaries on the most appropriate way to support them because we know that most suffer from more problems because their issues are linked but also because our client groups are amongst the most vulnerable in society. Their legal and social needs are complex and intersectional; their social and legal problems interrelate and amplify. We have also continued to work with our community based partner organisations to co-ordinate appropriate solutions that support and resolve their issues.

#### Specialist projects

The Law Centre's specialist projects had a highly successful year with some outstanding casework successes and also wider impact on behalf of vulnerable groups:

**The Justice Together North East Project** the project has grown from strength to strength and enables the Law Centre to continue increasing our reach across the North East by widening access to immigration advice. The project is now in its second year of supporting people with lived experience of the immigration system to obtain timely advice, and to influence the immigration and asylum system:

**European Union Settlement Scheme project** our collaboration with other regional partners has enabled us to continue supporting European Union (EU) nationals to apply for settled status in the UK. The EUSS grant programme is now in its final stages with the Law Centre now delivering the service on our own, supporting vulnerable EU nationals to submit complex applications under the scheme:

**Supporting Victims Project** has had a successful year, with continued increase in reported incidents of domestic abuse post-Covid-19 and exacerbated by the economic crisis. We also continue to support migrants with no recourse to public funds. Adopting a holistic and multi-disciplinary intervention approach, we support victims of domestic abuse left without financial support, to resolve their legal issues, and obtain access to welfare support.

## North East Law Centre

### Trustees' Report

**Families Through Crisis Project** has continued to provide much needed support to people on low income to access a complex welfare support system, and to navigate access to other public services. The project was developed and delivered in partnership with two regional partners, and is now in its 8th year, with additional three-year grant recently secured from Community Lottery until March 2026. Working extensively with grassroots organisations, the work of the project is targeted at people in Newcastle who would not ordinarily engage with support services and are experiencing crisis and hardship.

**Support for Litigant in Person (LSLIP) Project** was funded by the Ministry of Justice (MoJ) under the auspices of the Access to Justice Foundation until June 2023. The project was targeted at litigants in person to help them navigate the three key stages of their journey through the civil justice system. The demand for support from litigants increased three-fold in the aftermath of the Covid-19 pandemic due to backlog in the system, and the situation has worsened as a result of the economic crisis. The project provides specialist advice, casework and support to enable litigants to represent themselves in court (when possible), and some representation to the more vulnerable when capacity permits. The funding for the LSLIP project has now ended, however, the Law Centre was fortunate to secure a two-year grant from the replacement MoJ grant programme.

#### Client Feedback

We actively encourage feedback from our clients. We collate and analyse findings to help inform our delivery approach and service improvement. Below are the percentage of clients agreeing with these statements:

|   |      |
|---|------|
| Overall experience of the Law Centre was good   | 100% |
| Would recommend the service to others           | 95%  |
| Better understanding of the law after advice    | 91%  |
| Advice provided was appropriate to my situation | 98%  |
| The advice was good                             | 97%  |
| Presenting issues resolved satisfactorily       | 96%  |
| Clear idea of next steps                        | 97%  |
| Able to take next steps on my own               | 85%  |
| Felt supported                                  | 100% |
| Positive impact on health                       | 98%  |

#### Pro Bono Legal Advice Clinics

We have continued to deliver pro bono clinics to support clients in the following areas:

- Education Law – supported by a solicitor from private practice
- Discrimination Law – supported by a solicitor from private practice.
- Welfare benefits – supported by a retired solicitor.
- Criminal – delivered by a retired Judge

We are committed to increasing our pro bono support and have added a criminal law clinic to our service offer during the year. The new service is delivered by a retired Judge who practised for many years as a criminal law solicitor. He is supported by a Newcastle University law undergraduate student, and they provide one-off advice and support about minor offences including road traffic and fines, and sign post clients to legal aid providers for support with complex criminal law matters. They also provide second-tier advice to community-based partners.

## **North East Law Centre**

### **Trustees' Report**

We plan to implement two new clinics in civil and family law in 2023/24, with support from two commercial law firms.

#### **Second tier support**

In line with our North East remit, we offer support to advice agencies and other second tier organisations throughout the North East, in the areas of law in which we specialize. This support is in the form of one-off instances of advice. Also, we continue to run a range of training programmes about access to justice to staff and volunteers from organisations across the VCS.

#### **Private Immigration Advice Service**

The Law Centre has continued to deliver a private immigration service that provides an affordable alternative to high street law firms that are out of reach to most of our client groups. The service is now fully embedded into the Law Centre's operations and has enabled the Law Centre to meet increased demand from clients that are ineligible for grant funded service.

Over the past year, we have expanded the service to meet increased demand, and to support the Centre's sustainability strategy, and our goal of allocating any surplus from the service towards providing free advice to people on low income is widely viewed as beneficial to the wider community and in support of our charitable purpose.

#### **Financial Position**

We continue to work towards our strategic aim of stronger financial sustainability, and we have again strengthened our financial position this year with our turnover well over £700k and increased our unrestricted reserves. We will continue work toward increasing our unrestricted reserves further, and these accounts again represent our continued progress.

#### **Risk Management**

The board of Trustees conducts regular reviews of the major risks to which the charity is exposed. There is a risk register that is regularly updated and reviewed by the Board. Where appropriate, systems and procedures have been established to mitigate these risks.

The Law Centre is accredited under the Law Society's Lexcel Quality Standard, with annual monitoring visits to maintain quality compliance and Lexcel accreditation.

#### **Plans for future periods**

As the country emerges from the pandemic into a cost of living crisis with deepening poverty and inequality, our priorities are to respond to need, and the complexities of people's lives. To do this, we need to increase our capacity to meet demand and to help the most vulnerable to get the right help. We will continue developing a person-centred approach; building relationships with North East communities, clients, funders and partners, to support preventative work by providing information and advice before crisis wherever possible.

We believe the coming year/s offer clear opportunities for growth and improvement in all of these areas. 2023/24 will be a critical year due to the changing funding landscape for the sector, and the challenges that presents to our budget and funding plan will be carefully managed, to ensure our continued growth. The Board is committed to multi-year strategy review that commenced in the latter half of 22/23 and will be completed by mid-23/24.

## North East Law Centre

### Trustees' Report

Looking further ahead we will aim to have increased awareness of our work and brand/service amongst decision makers, funders and all communities. We would like to actively explore with stakeholders new branding and new channels for advice and information so that people can easily understand what we offer and how our services are delivered across the region.

An Equality, Diversity and Inclusion audit in relation to how our service development and delivery are shaped by all our stakeholders will be a key piece of work in 2023/24, as will closer work with mental health services, to enable us to provide a better service to people suffering poor mental health.

The Board of Trustees would like to extend their thanks to our funders, partners, beneficiaries and to the Centre's staff and volunteers for all their continued commitment to the work of the Charity.

#### Reserves policy

The centre retains reserves to help manage variations in funding and spending commitments. The types of reserves and the Board's policy for managing reserves are set out in the table below.

| Balance type          | Description and purpose(s)  | Approach   |
|-----------------------|---|--|
| Restricted reserves   | Balances of restricted income paid to the centre but not yet spent on services  | Monitor and set a range for management/Board to track against but not a formal policy for the accounts |
| Unrestricted reserves | Orderly wind down costs for ceasing operations and discharging liabilities  | Set a policy of having unrestricted reserves of 1-3 months of <u>total</u> expenditure                 |
|                       | Working capital needed to fund timing differences between costs and income  |  |
|                       | Bridge funding for maintaining services when funding is not available for a short period or there is an unexpected additional expense                                   |  |
|                       | Available funding for investing in new activities (with designated funds used when investment purpose is clear)   |  |
| Designated funds      | Unrestricted funding that the Board designates for a particular purpose; these are excluded from the definition of free (unrestricted) reserves and reported separately | To be considered annually by the board of trustees   |

The Board has a policy of maintaining unrestricted reserves equivalent to between one and three months of total expenditure (excluding grants to partners). In 2021-22 this was set as a range of £62,500 - £187,500. The Board and centre management have compared this range with estimates of costs in the unlikely event of winding down the centre, the working capital requirements of operating services, and the need to bridge temporary gaps in funding and ensure continuity of services.

## **North East Law Centre**

### **Trustees' Report**

At 31 March 2023 unrestricted reserves were £300,722 (2022 - £258,790), an increase of £41,932 in the year. Although the Board and management believe that the reserves policy remains appropriate for the medium term, the Board has accepted a higher level of reserves in light of short term factors. These include:

- Greater uncertainty about projected income at the start of the financial year and the possibility of a net deficit over 2023-24. During 2022-23 the centre had net expenditure of £37,549 and the funding environment continues to be uncertain.

- Maintaining continuity of services where funding has not yet been agreed at the start of the financial year. Funding agreements are increasingly finalised late in the financial year. A higher level of reserves at 31 March 2023 has allowed the centre to continue to provide access to key services including specialist employment and education law advice.

- Providing flexibility for the centre in addressing cost of living pressures for staff and managing recruitment and retention in a difficult economic environment.

## North East Law Centre

### Statement of Trustees' Responsibilities

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

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 its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and 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 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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.

Approved by the trustees of the charity on 07/11/2023.... and signed on its behalf by:



Jeremy Cripps 07 Nov 2023 13:06:48 GMT (UTC +0)

Mr J Cripps  
Trustee

## North East Law Centre

### Independent Examiner's Report to the trustees of North East Law Centre ("the Company")

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 March 2023.

#### Responsibilities and basis of report

As the charity's trustees of the Company (and also 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 North East Law Centre 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 your charity's accounts as 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.

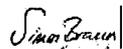
#### Independent examiner's statement

Since North East Law Centre'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 ICAEW which is one of the listed bodies.

I have completed my examination. I 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 North East Law Centre 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.



Simon Brown 07 Nov 2023 13:44:13 GMT (UTC +0)

Simon Brown BA ACA DChA  
Chartered accountant  
Azets Audit Services  
Bulman House  
Regent Centre  
Gosforth  
Newcastle upon Tyne  
NE3 3LS

Date 07/11/2023

Azets Audit Services is a trading name of Azets Audit Services Limited.

## North East Law Centre

### Statement of Financial Activities for the Year Ended 31 March 2023 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

|                                    | Note | Unrestricted<br>£ | Restricted<br>£  | Total<br>2023<br>£ | Total<br>2022<br>£ |
|------------------------------------|------|-------------------|------------------|--------------------|--------------------|
| <b>Income and Endowments from:</b> |      |                   |                  |                    |                    |
| Donations and legacies             | 3    | 1,620             | -                | 1,620              | 1,378              |
| Charitable activities              | 4    | 68,516            | 665,659          | 734,175            | 742,520            |
| Investment income                  | 5    | 102               | -                | 102                | 11                 |
| <b>Total Income</b>                |      | <b>70,238</b>     | <b>665,659</b>   | <b>735,897</b>     | <b>743,909</b>     |
| <b>Expenditure on:</b>             |      |                   |                  |                    |                    |
| Charitable activities              | 6    | (28,306)          | (745,140)        | (773,446)          | (707,663)          |
| <b>Total Expenditure</b>           |      | <b>(28,306)</b>   | <b>(745,140)</b> | <b>(773,446)</b>   | <b>(707,663)</b>   |
| <b>Net income/(expenditure)</b>    |      | <b>41,932</b>     | <b>(79,481)</b>  | <b>(37,549)</b>    | <b>36,246</b>      |
| <b>Net movement in funds</b>       |      | <b>41,932</b>     | <b>(79,481)</b>  | <b>(37,549)</b>    | <b>36,246</b>      |
| <b>Reconciliation of funds</b>     |      |                   |                  |                    |                    |
| <b>Total funds brought forward</b> |      | <b>258,790</b>    | <b>141,055</b>   | <b>399,845</b>     | <b>363,599</b>     |
| <b>Total funds carried forward</b> | 18   | <b>300,722</b>    | <b>61,574</b>    | <b>362,296</b>     | <b>399,845</b>     |

All of the charity's activities derive from continuing operations during the above two periods.

## North East Law Centre

### Comparative Statement of Financial Activities for the Year Ended 31 March 2022 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

|                                    | Note | Unrestricted<br>£ | Restricted<br>£  | Total<br>2022<br>£ |
|------------------------------------|------|-------------------|------------------|--------------------|
| <b>Income and Endowments from:</b> |      |                   |                  |                    |
| Donations and legacies             | 3    | 1,378             | -                | 1,378              |
| Charitable activities              | 4    | 104,439           | 638,081          | 742,520            |
| Investment income                  | 5    | 11                | -                | 11                 |
| <b>Total income</b>                |      | <b>105,828</b>    | <b>638,081</b>   | <b>743,909</b>     |
| <b>Expenditure on:</b>             |      |                   |                  |                    |
| Charitable activities              | 6    | (16,775)          | (690,888)        | (707,663)          |
| <b>Total expenditure</b>           |      | <b>(16,775)</b>   | <b>(690,888)</b> | <b>(707,663)</b>   |
| <b>Net income/(expenditure)</b>    |      | <b>89,053</b>     | <b>(52,807)</b>  | <b>36,246</b>      |
| <b>Net movement in funds</b>       |      | <b>89,053</b>     | <b>(52,807)</b>  | <b>36,246</b>      |
| <b>Reconciliation of funds</b>     |      |                   |                  |                    |
| <b>Total funds brought forward</b> |      | <b>169,737</b>    | <b>193,862</b>   | <b>363,599</b>     |
| <b>Total funds carried forward</b> | 18   | <b>258,790</b>    | <b>141,055</b>   | <b>399,845</b>     |

## North East Law Centre

### (Registration number: 01653936) Balance Sheet as at 31 March 2023

|   | Note | 2023<br>£ | 2022<br>£ |
|---|------|-----------|-----------|
| <b>Fixed assets</b>                                   |      |           |           |
| Tangible assets                                       | 13   | -         | -         |
| <b>Current assets</b>                                 |      |           |           |
| Debtors   | 14   | 80,131    | 113,341   |
| Cash at bank and in hand                              |      | 416,547   | 514,082   |
|   |      | 496,678   | 627,423   |
| <b>Creditors: Amounts falling due within one year</b> | 15   | (134,382) | (227,578) |
| <b>Net current assets</b>                             |      | 362,296   | 399,845   |
| <b>Net assets</b>                                     |      | 362,296   | 399,845   |
| <b>Funds of the charity:</b>                          |      |           |           |
| <b>Restricted</b>                                     |      | 61,574    | 141,055   |
| <b>Unrestricted income funds</b>                      |      |           |           |
| Unrestricted  |      | 300,722   | 258,790   |
| <b>Total funds</b>                                    | 18   | 362,296   | 399,845   |

For the financial year ending 31 March 2023 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

#### Directors' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements on pages 14 to 32 were approved by the trustees, and authorised for issue on 07/11/2023 and signed on their behalf by:



Jeremy Cripps 07 Nov 2023 13:06:48 GMT (UTC +0)

Mr J Cripps  
Trustee

**North East Law Centre****Statement of Cash Flows for the Year Ended 31 March 2023**

|  | Note | 2023<br>£             | 2022<br>£             |
|--|------|-----------------------|-----------------------|
| <b>Cash flows from operating activities</b>          |      |                       |                       |
| Net cash (expenditure)/income                        |      | (37,549)              | 36,246                |
| <b>Adjustments to cash flows from non-cash items</b> |      |                       |                       |
| Investment income                                    | 5    | <u>(102)</u>          | <u>(11)</u>           |
|  |      | (37,651)              | 36,235                |
| <b>Working capital adjustments</b>                   |      |                       |                       |
| Decrease in debtors                                  | 14   | 33,210                | 21,977                |
| (Decrease)/increase in creditors                     | 15   | (43,196)              | 98,356                |
| (Decrease)/increase in deferred income               | 15   | <u>(50,000)</u>       | <u>33,594</u>         |
| Net cash flows from operating activities             |      | (97,637)              | 190,162               |
| <b>Cash flows from investing activities</b>          |      |                       |                       |
| Interest receivable and similar income               | 5    | <u>102</u>            | <u>11</u>             |
| Net (decrease)/increase in cash and cash equivalents |      | (97,535)              | 190,173               |
| Cash and cash equivalents at 1 April                 |      | <u>514,082</u>        | <u>323,909</u>        |
| Cash and cash equivalents at 31 March                |      | <u><u>416,547</u></u> | <u><u>514,082</u></u> |

All of the cash flows are derived from continuing operations during the above two periods.

## **North East Law Centre**

### **Notes to the Financial Statements for the Year Ended 31 March 2023**

#### **1 Charity status**

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is: MEA House, Ellison Place, Newcastle upon Tyne, NE1 8XS

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

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 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

##### **Basis of preparation**

North East 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 notes.

These financial statements are prepared in sterling which is the functional currency of the entity.

##### **Going concern**

The trustees recognise that whilst the injection of finance has helped to support the charity's free reserves in the short term, they are conscious that in the medium and longer term that the charity will need to generate surpluses in order to remain within their target level of free reserves. The need for the charity's services continue to grow and therefore the demand on future reserves will also be greater, hence the charity continues to require future funding and the support of its funding partners.

The charity's forecasts and projections for the next twelve months show that the charity should be able to continue in operational existence for that period, taking into account reasonable possible changes in trading performance. The charity has strong positive cash balances and is forecasting for this to continue to be the case. The trustees have stress tested their forecasts, taking into account various scenarios, and remain confident that the uncertainties do not cast significant doubt on the company's ability to continue as a going concern.

## **North East Law Centre**

### **Notes to the Financial Statements for the Year Ended 31 March 2023**

#### **Estimation uncertainty and judgements**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported.

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

There are considered to be no significant judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies which affect the amounts recognised in the financial statements.

#### **Key sources of estimation uncertainty**

There are no key assumptions concerning the future and other key 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 financial year.

#### **Income and endowments**

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 the income receivable can be measured reliably. The following specific policies are applied to particular categories of income.

#### ***Donations and legacies***

Income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.

Legacy income is recognised when receipt is probable and entitlement is established.

#### ***Deferred income***

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

#### ***Donated services and facilities***

Income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.

#### ***Gift aid***

Incoming resources from tax reclaims are included in the Statement of Financial Activities at the same time as the gift to which they relate.

#### ***Investment income***

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

## **North East Law Centre**

### **Notes to the Financial Statements for the Year Ended 31 March 2023**

#### ***Other Income***

Income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

#### ***Expenditure***

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

#### ***Charitable activities***

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

#### ***Other expenditure***

Support costs have been differentiated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to the statutory audit and other costs with an apportionment of overhead and support costs.

Governance costs and support costs relating to charitable activities have been apportioned as set out in the Support Costs note.

#### ***Support costs***

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

#### ***Governance costs***

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

## North East Law Centre

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### Tangible fixed assets

Individual fixed assets costing £1,000 or more are initially recorded at cost.

#### Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

| Asset class                   | Depreciation method and rate |
|-------------------------------|------------------------------|
| Office and computer equipment | 20% straight line            |

#### Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

#### Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

## **North East Law Centre**

### **Notes to the Financial Statements for the Year Ended 31 March 2023**

#### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Other creditors includes amounts owed to other organisations as a result of the North East Law Centre being the lead partner in an agreement in place with the Big Lottery. The Big Lottery pay the full fund amount to the North East Law Centre who is then invoiced by the other partners to the agreement prior to the law centre paying over their share of the funding.

#### **Fund structure**

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

#### **Hire purchase and finance leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the lease term.

#### **Pensions and other post retirement obligations**

North East Law Centre staff participate in the Tyne and Wear Pension Fund. This is a multi-employer defined benefit scheme. There are current active members but sadly the scheme is closed to new members as a measure of financial prudence.

The scheme is accounted for as a defined contribution scheme as the future service accrual contribution rate is assessed on "grouped basis" and therefore it is not possible to identify the share of underlying assets and liabilities belonging to individual participating employers.

Due to the nature of the scheme the charge to the financial activities for the period under FRS 102 represents the employer contributions payable for the current year.

The 'past payment deficiency' payments, which are set out by the scheme actuary, are charged to the SoFA (as there is a constructive obligation) and the liability is recognised on the balance sheet in amounts falling due less and greater than one year.

Where material, the liability due in more than one year is adjusted to its net present value.

## North East Law Centre

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### 3 Income from donations and legacies

|                            | Unrestricted<br>funds<br>General<br>£ | Restricted<br>funds<br>£ | Total<br>2023<br>£ | Total<br>2022<br>£ |
|----------------------------|---------------------------------------|--------------------------|--------------------|--------------------|
| Donations and legacies:    |                                       |                          |                    |                    |
| Donations from individuals | 1,620                                 | -                        | 1,620              | -                  |
| CJRS Income                | -                                     | -                        | -                  | 1,378              |
|                            | <u>1,620</u>                          | <u>-</u>                 | <u>1,620</u>       | <u>1,378</u>       |
| Total for 2022             | <u>1,378</u>                          | <u>-</u>                 | <u>1,378</u>       |                    |

#### 4 Income from charitable activities

|                       | Unrestricted<br>funds<br>General<br>£ | Restricted<br>funds<br>£ | Total<br>2023<br>£ | Total<br>2022<br>£ |
|-----------------------|---------------------------------------|--------------------------|--------------------|--------------------|
| Paid for legal advice | 26,105                                | -                        | 26,105             | 24,080             |
| Grants                | -                                     | 665,659                  | 665,659            | 663,081            |
| Other income          | 42,411                                | -                        | 42,411             | 55,359             |
| Total for 2023        | <u>68,516</u>                         | <u>665,659</u>           | <u>734,175</u>     | <u>742,520</u>     |
| Total for 2022        | <u>104,439</u>                        | <u>638,081</u>           | <u>742,520</u>     |                    |

## North East Law Centre

### Notes to the Financial Statements for the Year Ended 31 March 2023

|  | Restricted<br>£ | Total<br>2023<br>£ | Total<br>2022<br>£ |
|--|-----------------|--------------------|--------------------|
| <b>Grants by provider:</b>                   |                 |                    |                    |
| Big Lottery                                  | 50,000          | 50,000             | 22,691             |
| British Red Cross                            | -               | -                  | 16,406             |
| EU Settlement Scheme                         | 57,070          | 57,070             | 105,578            |
| Legal Education Foundation                   | 27,212          | 27,212             | 68,186             |
| Lloyds Bank Foundation for England and Wales | 35,833          | 35,833             | 33,334             |
| NEFlows Project                              | 70,250          | 70,250             | 70,250             |
| Police Crime Commissioner for Northumbria    | 68,450          | 68,450             | 61,050             |
| The Baring Foundation                        | 31,404          | 31,404             | 26,594             |
| Tudor Trust                                  | 36,000          | 36,000             | 33,333             |
| William Trust                                | 7,272           | 7,272              | -                  |
| A B Charitable Trust                         | 20,000          | 20,000             | -                  |
| LSIP   | 11,316          | 11,316             | 68,127             |
| Help Accessing Legal Support                 | 88,970          | 88,970             | -                  |
| MOJ - The Access to Justice Initiative       | -               | -                  | 60,000             |
| Justice Together Initiative                  | 161,882         | 161,882            | 72,532             |
| Community Foundation                         | -               | -                  | 25,000             |
|  | <u>665,659</u>  | <u>665,659</u>     | <u>663,081</u>     |

#### 5 Investment income

|                                      | Unrestricted<br>funds<br>General<br>£ | Total<br>2023<br>£ | Total<br>2022<br>£ |
|--------------------------------------|---------------------------------------|--------------------|--------------------|
| Interest receivable on bank deposits | <u>102</u>                            | <u>102</u>         | <u>11</u>          |

## North East Law Centre

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### 6 Expenditure on charitable activities

|                       | Unrestricted  |                 | Total<br>2023<br>£ | Total<br>2022<br>£ |
|-----------------------|---------------|-----------------|--------------------|--------------------|
|                       | General<br>£  | Restricted<br>£ |                    |                    |
| Charitable activities | 2,150         | 631,779         | 633,929            | 597,610            |
| Support costs         | 26,156        | 113,361         | 139,517            | 110,053            |
|                       | <u>28,306</u> | <u>745,140</u>  | <u>773,446</u>     | <u>707,663</u>     |

|                  | Activity<br>undertaken<br>directly<br>£ | Activity<br>support<br>costs<br>£ | 2023<br>£      | 2022<br>£      |
|------------------|---|-----------------------------------|----------------|----------------|
|                  | Charitable activities                   | 633,929                           | 134,285        | 768,214        |
| Governance costs | -                                       | 5,232                             | 5,232          | 2,600          |
|                  | <u>633,929</u>                          | <u>139,517</u>                    | <u>773,446</u> | <u>707,663</u> |

The charity was awarded additional funds as part of the Community Lottery and the Law Centres Network's Justice Fund grants to specifically protect its reserves, that meant some unrestricted funds were not spent towards charitable activities during the accounting period. The plan is to spend some of the unrestricted funds over the course of the current financial year.

#### 7 Analysis of governance and support costs

##### Charitable activities expenditure.

|   | Unrestricted  |                 | Total<br>2023<br>£ | Total<br>2022<br>£ |
|---|---------------|-----------------|--------------------|--------------------|
|   | General<br>£  | Restricted<br>£ |                    |                    |
| Premises                                  | -             | 30,206          | 30,206             | 28,044             |
| Equipment leasing                         | -             | 1,192           | 1,192              | 2,942              |
| Project specific costs and IT costs       | -             | 15,109          | 15,109             | 11,216             |
| Bank charges                              | -             | 1,004           | 1,004              | 635                |
| Other support costs                       | 20,924        | 19,602          | 40,526             | 30,652             |
| Legal, professional and consultancy costs | -             | 46,248          | 46,248             | 33,964             |
| Independent examiners fees                | 5,232         | -               | 5,232              | 2,600              |
|   | <u>26,156</u> | <u>113,361</u>  | <u>139,517</u>     | <u>110,053</u>     |

## North East Law Centre

### Notes to the Financial Statements for the Year Ended 31 March 2023

The charity allocates costs directly to activities as far as possible, then identifies the remaining costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between the key charitable activities undertaken in the year.

#### Governance costs

|   | Unrestricted<br>funds<br>General<br>£ | Total<br>2023<br>£ | Total<br>2022<br>£ |
|---|---------------------------------------|--------------------|--------------------|
| Independent examiner fees               |                                       |                    |                    |
| Examination of the financial statements | 5,232                                 | 5,232              | 2,600              |
|   | <u>5,232</u>                          | <u>5,232</u>       | <u>2,600</u>       |

#### 8 Net incoming/outgoing resources

Net (outgoing)/incoming resources for the year include:

|                                 | 2023<br>£    | 2022<br>£    |
|---------------------------------|--------------|--------------|
| Operating leases - other assets | <u>1,837</u> | <u>1,837</u> |

#### 9 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses from the charity during the year.

#### 10 Staff costs

The aggregate payroll costs were as follows:

|  | 2023<br>£      | 2022<br>£      |
|--|----------------|----------------|
| <b>Staff costs during the year were:</b> |                |                |
| Wages and salaries                       | 514,409        | 455,788        |
| Social security costs                    | 42,133         | 39,561         |
| Pension costs                            | 37,100         | 34,123         |
|  | <u>593,642</u> | <u>529,472</u> |

The monthly average number of persons (including senior management team) employed by the charity during the year was as follows:

|           | 2023<br>No | 2022<br>No |
|-----------|------------|------------|
| Employees | <u>20</u>  | <u>21</u>  |

## North East Law Centre

### Notes to the Financial Statements for the Year Ended 31 March 2023

The number of employees whose emoluments fell within the following bands was:

|                   | 2023<br>No |
|-------------------|------------|
| £60,001 - £70,000 | <u>1</u>   |

The total employee benefits of the key management personnel of the charity were £140,466 (2022 - £116,631).

#### 11 Independent examiner's remuneration

|   | 2023<br>£    | 2022<br>£    |
|---|--------------|--------------|
| Examination of the financial statements | <u>5,232</u> | <u>2,600</u> |

#### 12 Taxation

The charity is exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### 13 Tangible fixed assets

|                       | Furniture and<br>equipment<br>£ | Total<br>£   |
|-----------------------|---------------------------------|--------------|
| <b>Cost</b>           |                                 |              |
| At 1 April 2022       | <u>7,555</u>                    | <u>7,555</u> |
| At 31 March 2023      | <u>7,555</u>                    | <u>7,555</u> |
| <b>Depreciation</b>   |                                 |              |
| At 1 April 2022       | <u>7,555</u>                    | <u>7,555</u> |
| At 31 March 2023      | <u>7,555</u>                    | <u>7,555</u> |
| <b>Net book value</b> |                                 |              |
| At 31 March 2023      | <u>-</u>                        | <u>-</u>     |
| At 31 March 2022      | <u>-</u>                        | <u>-</u>     |

#### 14 Debtors

## North East Law Centre

### Notes to the Financial Statements for the Year Ended 31 March 2023

|                | 2023<br>£     | 2022<br>£      |
|----------------|---------------|----------------|
| Trade debtors  | 55,969        | 88,561         |
| Prepayments    | 6,487         | 7,280          |
| Accrued income | 17,500        | 17,500         |
| Other debtors  | 175           | -              |
|                | <u>80,131</u> | <u>113,341</u> |

#### 15 Creditors: amounts falling due within one year

|                                    | 2023<br>£      | 2022<br>£      |
|------------------------------------|----------------|----------------|
| Trade creditors                    | 2,219          | 35,229         |
| Other taxation and social security | 280            | 9,869          |
| Other creditors                    | 126,651        | 129,880        |
| Accruals                           | 5,232          | 2,600          |
| Deferred income                    | -              | 50,000         |
|                                    | <u>134,382</u> | <u>227,578</u> |

Other creditors includes £nil (2022 - £4,000) payable in respect of deficit payments to be made to the defined benefit pension scheme.

Other creditors also includes £123,535 (2022 - £121,506) payable to other partners subject to a funding agreement for which North East Law Centre is acting as agent. The total amount received as agent and subsequently not reflected in the accounts totalled £305,050 (2022 - £288,650). Of this £274,823 (2022 - £260,028) was paid over to the respective partners.

|  | 2023<br>£       | 2022<br>£       |
|--|-----------------|-----------------|
| Deferred income at 1 April 2022        | 50,000          | 16,406          |
| Resources deferred in the period       | -               | 50,000          |
| Amounts released from previous periods | <u>(50,000)</u> | <u>(16,406)</u> |
| Deferred income at year end            | <u>-</u>        | <u>50,000</u>   |

## North East Law Centre

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### 16 Obligations under leases and hire purchase contracts

##### Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

|                            | 2023<br>£     | 2022<br>£     |
|----------------------------|---------------|---------------|
| <b>Land and buildings</b>  |               |               |
| Within one year            | <u>19,033</u> | <u>19,033</u> |
| <b>Other</b>               |               |               |
| Within one year            | 1,837         | 1,837         |
| Between one and five years | <u>459</u>    | <u>2,296</u>  |
|                            | <u>2,296</u>  | <u>4,133</u>  |

#### 17 Pension and other schemes

##### Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £37,100 (2022 - £34,123).

Contributions totalling £3,116 (2022 - £4,374) were payable to the scheme at the end of the year and are included in creditors.

##### Defined benefit pension schemes

###### Tyne and Wear Pension Fund

North East Law Centre staff participated in the Tyne and Wear Pension Fund. This is a multi-employer defined benefit scheme.

The scheme is accounted for as a defined contribution scheme as the future service accrual contribution rate is assessed on a "grouped basis" and therefore it is not possible to identify the share of underlying assets and liabilities belonging to individual participating employers.

Due to the nature of the scheme the charge to the financial activities for the period under FRS 102 represents the employer contributions payable for the current year.

The 'past payment deficiency' payments, which are set out by the scheme actuary, are charged to the SoFA (as there is a constructive obligation) and the liability is recognised on the balance sheet in amounts falling due less and greater than one year.

Pension contributions payable, in respect of the past payment deficiencies, for the years to 31 March 2023 amounted to £11,700.

At the year end £nil (2022 - £4,000) was outstanding.

There is an agreement in place with Newcastle City Council which guarantees they will pay any deficit that may arise on termination of the pension scheme.

## North East Law Centre

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### 18 Funds

|  | Balance at 1<br>April 2022<br>£ | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Balance at 31<br>March 2023<br>£ |
|--|---------------------------------|----------------------------|----------------------------|----------------------------------|
| <b>Unrestricted funds</b>                            |                                 |                            |                            |                                  |
| <b>General</b>                                       |                                 |                            |                            |                                  |
| General funds  | 258,790                         | 70,238                     | (28,306)                   | 300,722                          |
| <b>Restricted funds</b>                              |                                 |                            |                            |                                  |
| Lloyds Bank Foundation for<br>England and Wales      | 30,423                          | 35,833                     | (66,256)                   | -                                |
| Help Accessing Legal Support<br>A B Charitable Trust | -                               | 88,970                     | (88,970)                   | -                                |
| Police Crime Commissioner<br>for Northumbria         | -                               | 20,000                     | (20,000)                   | -                                |
| Big Lottery  | -                               | 68,450                     | (68,450)                   | -                                |
| British Red Cross                                    | 9,833                           | 50,000                     | (59,833)                   | -                                |
| Legal Education Foundation                           | 16,406                          | -                          | (16,406)                   | -                                |
| EU Settlement Scheme                                 | -                               | 27,212                     | (27,212)                   | -                                |
| The Baring Foundation                                | -                               | 57,070                     | (57,070)                   | -                                |
| NEFlows Project                                      | 3,500                           | 31,404                     | (34,904)                   | -                                |
| Tudor Trust  | -                               | 70,250                     | (70,250)                   | -                                |
| Willan Trust   | 13,838                          | 36,000                     | (49,838)                   | -                                |
| LSLIP  | -                               | 7,272                      | (7,272)                    | -                                |
| Justice Together Initiative                          | 22,724                          | 11,316                     | (34,040)                   | -                                |
|  | 44,331                          | 161,882                    | (144,639)                  | 61,574                           |
| <b>Total restricted funds</b>                        | <b>141,055</b>                  | <b>665,659</b>             | <b>(745,140)</b>           | <b>61,574</b>                    |
| <b>Total funds</b>                                   | <b>399,845</b>                  | <b>735,897</b>             | <b>(773,446)</b>           | <b>362,296</b>                   |

## **North East Law Centre**

### **Notes to the Financial Statements for the Year Ended 31 March 2023**

The specific purposes for which the funds are to be applied are as follows:

Unrestricted funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds, where the trustees, at their discretion, have created a fund for specific purposes.

The basis for calculating 'free reserves' is after allowing for all designated funds, fixed assets and other non-current assets and liabilities.

Lloyds Bank Foundation for England and Wales is monies towards the salary cost of the immigration and asylum solicitor.

Help Accessing Legal Support is monies for salary costs for employment, family and welfare benefit specialist advisers and a pro rata contribution for Business Support, Finance, Management and core costs.

A B Charitable Trust is monies for Business Support Administrator salary costs.

Police and Crime Commissioner Northumbria Supporting Victims Funding is specifically targeted at victims of crime. Victims are given access to our advice and support services in the relevant areas of law.

Big Lottery is monies to run the 'Up a height' - support for families in crisis project.

British Red Cross is monies to deliver the Families Together Programme.

Legal Education Foundation is monies towards the salary costs of a trainee solicitor and supervision under The Fellowship Scheme.

EU Settlement scheme is monies for the delivery of the LCN EUSS Complex Case Project.

The Baring Foundation is monies to develop a partnership between the North East Law Centre and the Recovery College Collective to test how legal and human rights based approaches could improve the outcomes for people experiencing mental distress.

NEFlows Project is monies for the delivery of the FLOWS legal advice and support.

Tudor Trust is monies towards the salary cost of the charity's centre director.

Willan Trust is a grant towards the Education Law Advice Service, to raise awareness of Education Rights.

LSLIP is monies for salary costs for employment, and family specialist advisers and a pro rata contribution for Project Management, Finance, Management and core costs.

Justice Together Initiative is monies for salary costs for immigration specialist advisers, senior solicitor, relationship manager and a pro rata contribution for Business Support, Finance, Management and core costs.

## North East Law Centre

### Notes to the Financial Statements for the Year Ended 31 March 2023

Enterprise Development Fund - grant support to principally cover the salaries of the Senior Solicitor and the Project Manager, to progress the Private Income Generation project.

Syrian Settlement - Commissions fees to NELC from local authorities to progress immigration applications on behalf of their Syrian Refugee residents.

Community Foundation - Big Night In Match Fund - for the provision of additional advice to clients in Tyne & Wear on low incomes / benefits in the wake of Covid-19 from the NET DCMS Big Night In Match Fund at the Community Foundation.

#### 19 Analysis of net assets between funds

|                                  | Unrestricted<br>General<br>£ | Restricted<br>£ | Total funds<br>£                        |
|----------------------------------|------------------------------|-----------------|---|
| Net current assets/(liabilities) | 300,722                      | 61,574          | 362,296                                 |
|                                  | Unrestricted<br>General<br>£ | Restricted<br>£ | Total funds<br>at 31 March<br>2022<br>£ |
| Net current assets/(liabilities) | 258,790                      | 141,055         | 399,845                                 |

#### 20 Analysis of net funds

|                          | At 1 April<br>2022<br>£ | Financing<br>cash flows<br>£ | At 31 March<br>2023<br>£ |
|--------------------------|-------------------------|------------------------------|--------------------------|
| Cash at bank and in hand | 514,082                 | (97,535)                     | 416,547                  |
| Net funds                | 514,082                 | (97,535)                     | 416,547                  |
|                          | At 1 April<br>2021<br>£ | Financing<br>cash flows<br>£ | At 31 March<br>2022<br>£ |
| Cash at bank and in hand | 323,909                 | 190,173                      | 514,082                  |
| Net funds                | 323,909                 | 190,173                      | 514,082                  |

#### 21 Related party transactions

There were no related party transactions in the year.