

THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

EXECUTIVE COMMITTEE'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021



THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

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THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS EXECUTIVE COMMITTEE AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2021

Executive Committee	Clive Baldwin (appointed 2 July 2021) William Coales, Treasurer (resigned 20 May 2021) Ian Cobain (resigned 12 November 2021) Michael Etienne (resigned 2 July 2021) David Hughes (resigned 13 December 2021) Tanya Joseph (resigned 2 July 2021) Dr Tara Lai Quinlan Qudsia Mirza Sonali Naik, Chair (resigned 14 December 2021) Geraldine O'Connor (resigned 8 February 2021) The Reverend Canon Mark Oakley (resigned 5 July 2021) Alex Rawle (appointed 5 May 2021) Luke Sandford Michael Schwarz (appointed 2 July 2021) Rahul Sinha, Acting Chair from 14 December 2021, Treasurer from 14 July 2021 (appointed 14 July 2021) Philippa Tuckman (resigned 5 December 2021) Patricia Tuitt (appointed 2 July 2021)
Company registered number	03260840
Registered office	Liberty House 26-30 Strutton Ground London SW1P 2HR
Company secretaries	Gracie Bradley (resigned 25 November 2021) Martha Spurrier (appointed 24 November 2021)
Independent auditors	MHA MacIntyre Hudson Chartered Accountants and Statutory Auditor 6th Floor 2 London Wall Place London, United Kingdom EC2Y 5AU

THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS EXECUTIVE COMMITTEE AND ADVISERS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Bankers

Royal Bank of Scotland plc
25 Millbank
London
SW1P 4RB

Royal Bank of Scotland plc
67 Morrison Street
Edinburgh
EH3 8YJ

Nationwide Building Society
Kings Park Road
Moulton Park
Northampton
NN3 6NW

THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

EXECUTIVE COMMITTEE'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Executive Committee present their report and the audited financial statements for the year ended 31 December 2021. The Executive Committee members are the Directors for company law purposes. The accounts have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). Although the company is not a Charity, in many respects its activities are similar to one and therefore in preparing the financial statements to provide a true and fair view, the Executive Committee has had regard to the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP).

1. MISSION AND VALUES

Liberty (the National Council for Civil Liberties) campaigns for civil liberties and human rights in the UK. Our members have been holding the powerful to account, changing the law and making the news for almost 90 years. Founded in 1934, we are a cross party, non-party membership organisation.

Liberty is ordinary people, standing up to power. We want everyone in the UK to be treated fairly, with dignity and respect. We hold the powerful to account, so rights are protected and freedom is valued for all. We are independent and unshakeable. Our principles are guided by evidence and expertise – not political agenda, profit or popular opinion. We are not afraid to speak uncomfortable truths or challenge intolerance, injustice or abuse of power wherever we find it – but we always treat people with respect. We inspire and empower others to defend their own rights and the rights of their family, friends and communities. Together, we use our voice in courtrooms, in the news, on the streets and in politics to demand and deliver lasting change to benefit the many and the most vulnerable.

The objects of Liberty are:

1. Liberty shall advance measures and take such steps as it shall deem necessary for the defence and extension of civil liberties and human rights in the United Kingdom and the rights and freedoms recognised by international law. In particular Liberty shall strive to ensure and safeguard the right to:
 - a. live in freedom and safe from personal harm;
 - b. protection from ill treatment or punishment that is inhuman or degrading;
 - c. equality before the law and to freedom from discrimination on such grounds as disability, political or other opinion, race, religion, sex or sexual orientation and marital status;
 - d. protection from arbitrary arrest and unnecessary detention, the right to a fair, speedy and public trial, to be presumed innocent until proven guilty, and to legal advice and representation;
 - e. a fair hearing before any authority exercising power over the individual;
 - f. freedom of thought, conscience and belief;
 - g. freedom of speech and publication;
 - h. freedom of peaceful assembly and association;
 - i. move freely within one's country of residence and to leave and enter it without hindrance;
 - j. privacy and the right of access to official information.
 - k. other civil and political rights and freedoms guaranteed by the International Bill of Rights and similar instruments to which the UK is or may become a party.
2. Liberty shall be non-party and non-sectarian.

THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

EXECUTIVE COMMITTEE'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

2. ACHIEVEMENTS AND PERFORMANCE

Over the last year Liberty has continued to fight for a rights-respecting UK in Government, the courts, and society, whilst dealing with the ongoing demands of a global pandemic.

We have continued to build on learnings and momentum from our 'Protect Everyone' campaign and have held a principled line on vaccine passports. We gained significant wins in our fight against the Police, Crime, Sentencing and Courts Bill, protecting the rights of protesters now and in the future. We also achieved great progress on life-affirming healthcare for trans people and published cutting edge journalism with far-reaching impact. Our membership continues to grow, and we are exceeding our media targets. Internally, we have continued vital work to build an anti-oppressive organisation, including more inclusive, effective recruitment practices.

In recent times we have seen a growing threat to the UK rights framework – including threats to protest rights, judicial review, expansion of discriminatory police powers, and steps to dilute the Human Rights Act. We have tackled these threats and done so whilst increasing our supporter base to an all-time high, growing our team, implementing a new anti-oppression strategy, establishing a flagship model of campaigning, and adapting to hybrid working.

Liberty's enduring reach and impressive impact was demonstrated further in 2021:

- Liberty lawyers delivered justice for people who would otherwise have been left marginalised. In 2021, we represented 12 clients in legal proceedings. We also brought cases or intervened as Liberty acting in the public interest, in 13 cases. Liberty intervened to support cases about access to healthcare for trans children and young people; about data protection for disabled people and children; and about the rights of protesters.
- Liberty represented legal observers from Black Protest Legal Support who had been discriminated against and unlawfully issued with fixed penalty notices for just doing their work and supported frontline black-led organisations to challenge the Home Office and the police over the use of stop and search and their information databases that discriminate.
- Liberty's policy work continued to put us at the heart of major legislative decisions. In 2021, we improved laws and policies through 56 briefings (more than one a week!), publications and reports, prompting 43 meetings with MPs and parliamentarians.
- Liberty led the creation of a coalition of hundreds of organisations working across a broad range of sectors including (Friends of the Earth, Quakers, BOND and Friends, Families and Travellers) to challenge the Police, Crime, Sentencing and Courts Bill (PCSC Bill) and defeated the Government a landmark 14 times in one night in the House of Lords.
- Liberty led work with lots of other groups to write and table in Parliament the 'Protect Everyone Bill' which outlined a response to the pandemic that put human rights at its heart and were able to keep pressure on the Government to ensure the most draconian parts of the pandemic response were discontinued or never implemented.
- Liberty worked with the British Institute of Human Rights to support people who had used the Human Rights Act to meet with and provide their expertise to the Independent Human Rights Act Review (IHRAR) ensuring their report took into account the views of people who had benefitted most from the Act.
- Liberty's campaigns empowered 180,414 people to take action – signing petitions, contacting MPs, and engaging in direct campaigning in their communities (up 55,830 from 2020).

THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

EXECUTIVE COMMITTEE'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

- Liberty's Advice & Information Hub, which provides answers to some of our most frequently asked questions, was accessed nearly three quarters of a million times in 2021. Alongside this we relaunched our telephone advice service using new, virtual call centre technology, as well as responding to more than 800 individual written requests for advice. We also continued producing protest 'bust cards' and began to scale up our 'know your rights' training work with frontline and community groups.
- Liberty Investigates published eight investigative stories with five different publishing partners, including new partners ITV News and the Times, and two additional news stories about GRT rights and policing of protest. Liberty Investigates quadrupled our Twitter following from 300 to 1,200.
- Liberty's wide range of expert spokespeople raised their voices against the powerful across national news outlets and broadcast media. We achieved an incredible 4,710 mentions in print media and 86 television broadcast appearances. This is a huge increase on the previous year.
- We have yet again seen an increase in social media engagement which almost doubled compared to the previous year, recording 970,902 engagements. We now have 140,855 follows on our channels, a 29% increase on 2020.
- Our membership base remains strong and continues to grow, ending 2021 with just over 15,000 members.

3. FINANCIAL REVIEW

The result for the year ended 31 December 2021 was a surplus of £64,664 (2020: £316,927) comprising an increase in the unrestricted fund of £83,173 and a decrease in restricted funds of £18,509, as restricted funds brought forward from 2020 were expended. The reduction in the overall surplus compared to the previous year was in line with budgeted expectations.

Total Income in 2021 amounted to £3.2m, an increase from £3.1m in 2020. Higher income was largely a result of increasing membership subscriptions, a major achievement during a challenging 12 months due to the prolonged pandemic. The principal source of income is Grant Income, which fell slightly in comparison to 2021 by £23k. Grant Income is receivable from the Civil Liberties Trust and a number of other valued funding bodies that support the work carried out at Liberty, and these are analysed in further detail at note 5 to the accounts.

Expenditure increased in 2021 by approximately 11% compared to 2020, which was in accordance with the budget plan as activities and support operations expanded. Notes 8 and 9 to the accounts provide a detailed breakdown of how these costs were incurred. Liberty spent the majority of its restricted funds (income received for specific purposes) in the year that it was received and at the year-end restricted fund balances carried forward amounted to £33,720.

Reserves

The Committee require the Company to hold reserves to cover risks outlined in the risk register, including covering fixed expenses, and to mitigate any risk in terms of unexpected financial settlements and unforeseen reductions in voluntary income. Reserves are also required in case of an unexpected shutdown of the organisation, in order to cover fixed costs and pay other related costs if necessary. Liberty's Reserves Policy requires that free General Funds (which is calculated as total unrestricted funds excluding the fixed asset reserve) hold at least 4 months, no more than 8 months, and ideally, 6 months of annual expenditure.

THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

EXECUTIVE COMMITTEE'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

General Fund Reserves at the year end were £2,156,097. This was within the reserves policy range and equates to 6.5 months reserves, based on the approved 2022 total budgeted expenditure.

Risks

The Committee has considered the risks to which the organisation is exposed, including legal, reputational and financial, and has taken steps to mitigate and manage those risks. Liberty's Senior Leadership Team meets weekly and regularly reviews the possibility and likelihood of risks to the organisation. Mitigating actions are agreed and where appropriate, decisions are escalated to the Executive Committee.

Financial risks are managed primarily by the adoption of a prudent reserves policy, along with an annual budget and fundraising strategy. The annual budget is produced in the autumn for the following year and the committee reviews financial reports at each meeting. 2021 was the second year of a three-year fundraising strategy to increase the income received from membership subscriptions and major donors in order to provide a stable funding base for Liberty's current and future activities. Internal risks are controlled by implementing procedures for authorising transactions and managing campaigns and projects.

Liberty's key non-financial risks include the risk that it loses profile, as public/media attention moves away from Liberty campaign issues, or – on the contrary – that coverage of particular campaigns skews public perception and damages Liberty's reputation as a non-party cross-party organisation. With a broad campaigning remit and only modest resources Liberty must also work continuously to ensure that staff are not overstretched and that the focus remains on priority areas.

Pay Policy for Key Management Personnel

Liberty considers its Key Management Personnel comprise the Executive Committee and the Senior Leadership Team. The Senior Leadership Team (SLT) is made up of the Director, Advocacy Director, Communications Director, Development Director and the Finance & Operations Director.

Executive Committee members are not remunerated. The Senior Leadership Team are employed staff members. The SLT pay is set by the Director and is informed by benchmarking. A number of the current SLT are paid in line with historic pay scales under their employment contracts. The Director's salary is set by the board and informed by benchmarking.

All employees receive a pay rise on 1 January based on the CPI. Historically the base month used has been July of the previous year, however in 2021 (for the 1 January 2022 pay award) the Executive Committee approved October 2021 CPI as the base month in order to mitigate the impact of accelerating consumer inflation on staff. These incremental increases may not be made in circumstances of financial crisis.

Plans for future periods

Liberty's expenditure and fundraising plan for 2022 was approved in December 2021.

Liberty has now entered the final year of its strategic plan for 2020 – 2022, and during 2022 will finalise the detail of its new strategic plan to cover the five year period 2023-2028. Key activities for the coming year include:

- Continuing to develop and run our flagship campaign to defend accountability mechanisms on the Human Rights Act, judicial review, democratic accountability, access to justice and the rule of law;
- Campaign to build safer communities by working closely with frontline and grassroots groups, run a flagship campaign against discriminatory, ineffective and disproportionate policing with a focus on solutions that build safer communities;

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EXECUTIVE COMMITTEE'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

- Support and empower protestors with advice, information and litigation support;
- Continue a public campaign to ban use of facial recognition in public spaces;
- Challenging the Investigatory Powers Act;
- Continue to develop and deliver a disability rights litigation strategy;
- Liberty Investigates' to focus on policing, protest and migrants rights;
- To develop our online advice and information hub, adding relevant updates and up to date content on new topics.

New threats to the UK human rights framework have been on Liberty's agenda for some time. These threats began to fully crystallise in late 2021. Through 2022, we will work in power with civil society, in parliament, the media and the public to resist threats to Judicial Review and the Human Rights Act – alongside multiple threats to rights and accountability brought forward in other Bills. This year also marks the beginning of work to build an innovative, long-term campaign to set a positive vision for human rights. We also expect to launch a flagship campaign on policing, with a goal of creating Safer Communities.

Beyond these flagship campaigns, we will build on much of our 2021 work, while investing in new areas. Liberty plans to continue advocating for mental health and disability rights, challenging rights abuses, resisting powers to limit protest rights and fighting against the criminalisation of poverty. Our current three-year strategy comes to an end this year, with work on a new five-year strategy beginning in Spring 2022.

Liberty knows that to achieve our goals, we must pursue change as an organisation. We continue to grow and diversify our members and supporters, and over the last year we have further embedded our ground-breaking 'Liberty Investigates' journalistic unit. As an organisation, we are committed to building an inclusive and diverse organisation. This will remain a driving theme over the next five years, as we push forward our anti-oppressive strategy at all levels of the organisation. We will also continue to integrate Monitoring and Evaluation and embark on work to refurbish Liberty's office, with accessibility and effective hybrid working a key priority.

From an operational perspective, all our staff have been working from home since March 2020 other than for business-critical reasons. We are currently consulting on a new hybrid working policy, set to launch in August 2022. This policy will maximise benefit to Liberty along with flexibility and quality of life for all staff members. All financial implications of the pandemic – positive and negative – have largely passed, with immediate fundraising priorities focused on diversifying our income and securing additional funding to challenge immediate threats to human rights frameworks.

4. STRUCTURE, GOVERNANCE AND MANAGEMENT

The National Council for Civil Liberties, more commonly known as Liberty, is registered as a company limited by guarantee no. 03260840 ('the Company'); its governing instrument is its Memorandum and Articles of Association. The Company has no share capital or debentures and hence there are no directors' interests requiring disclosure under the Companies Act 2006.

The Company is the operational entity linked to a separate unincorporated association with essentially the same objects which was established in 1934. The members of the unincorporated association elect a Council. The Council in turn appoints an Executive Committee which, under the articles of association of the Company are the Company's Members and Committee of Management, a Board of Directors for company law purposes. In 2017, the constitution of the unincorporated association was amended to allow the Executive Committee to co-opt up to three members into its number in order to fill skills gaps or to ensure diversity. The unincorporated association directs Liberty policy but has no transactions, assets or liabilities, and all members' subscriptions are paid to the Company. Unless otherwise stated, references to Liberty in this report and in the financial statements refer to the Company.

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EXECUTIVE COMMITTEE'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Company works closely with The Civil Liberties Trust ('the Trust'), a charitable company no. 1024948. The Company undertakes a substantial amount of charitable work for which it receives a grant from the Trust. The Company also leases premises from the Trust. The Company can appoint a minority of trustees to the Trust which, in turn, can appoint a representative to the Executive Committee.

The Executive Committee is responsible for approving operational plans and budgets, and for appointing a Director. The Director is responsible for management of day to day operations and is supported by a senior leadership team. Although the company is not a charity, in many respects its activities are similar to one and therefore in preparing the financial statements to provide a true and fair view, the Executive Committee has had regard to the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP).

5. STATEMENT OF RESPONSIBILITY FOR PREPARATION OF THE FINANCIAL STATEMENTS

The Executive Committee (who are also the Directors of the Company for the purposes of company law) are responsible for preparing the Executive Committee's 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 Executive Committee to prepare financial statements for each financial year. Under company law, the Executive Committee 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 Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Executive Committee are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Executive Committee are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Executive Committee is responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to the auditors

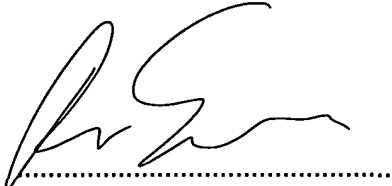
In so far as the Executive Committee are aware:

- there is no relevant audit information of which the Company's auditor is unaware; and
- the Executive Committee Members have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

**EXECUTIVE COMMITTEE'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

Approved by order of the Members of the Board of Executive Committee and signed on its behalf by:



Rahul Sinha

Chair

Date: 27 April 2022

THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

Opinion

We have audited the financial statements of The National Council for Civil Liberties (the 'Company') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE NATIONAL COUNCIL FOR CIVIL LIBERTIES (CONTINUED)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Executive Committee's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Executive Committee's Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Executive Committee's Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Executive Committee's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Executive Committee were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Executive Committee's Report and from the requirement to prepare a Strategic Report.

Responsibilities of the Executive Committee

As explained more fully in the Statement of Executive Committee's Responsibilities, the Executive Committee (who are also the Directors of the Company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Executive Committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE NATIONAL COUNCIL FOR CIVIL LIBERTIES (CONTINUED)

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

Auditors' responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Committee.
- Conclude on the appropriateness of the Executive Committee Members use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation (ie. gives a true and fair view).

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE NATIONAL COUNCIL FOR CIVIL LIBERTIES (CONTINUED)

Use of our report

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



Stuart McKay BSc FCA DChA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Statutory Auditor

London, United Kingdom

19 May 2022

THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	4	26,320	50,649	76,969	77,946
Activities:					
Membership and fundraising		714,057	-	714,057	621,398
Legal and advice work		33,588	-	33,588	45,668
Grant income	5	419,366	1,941,768	2,361,134	2,384,560
Other trading activities	6	14,411	-	14,411	8,988
Investments	7	949	-	949	363
Total income		1,208,691	1,992,417	3,201,108	3,138,923
Expenditure on:					
Activities	8	1,125,518	2,010,926	3,136,444	2,821,996
Total expenditure		1,125,518	2,010,926	3,136,444	2,821,996
Net movement in funds		83,173	(18,509)	64,664	316,927
Reconciliation of funds:					
Total funds brought forward		2,194,730	52,229	2,246,959	1,930,032
Net movement in funds		83,173	(18,509)	64,664	316,927
Total funds carried forward		2,277,903	33,720	2,311,623	2,246,959

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The notes on pages 17 to 36 form part of these financial statements.

THE NATIONAL COUNCIL FOR CIVIL LIBERTIES
REGISTERED NUMBER: 03260840

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	14		121,806		155,107
			<u>121,806</u>		<u>155,107</u>
Current assets					
Debtors: Amounts falling due within one year	15	378,870		722,688	
Cash at bank and in hand	23	2,135,069		1,641,590	
		<u>2,513,939</u>		<u>2,364,278</u>	
Creditors: Amounts falling due within one year	17	(324,122)		(272,426)	
Net current assets			<u>2,189,817</u>		<u>2,091,852</u>
Total net assets			<u><u>2,311,623</u></u>		<u><u>2,246,959</u></u>
Funds					
Restricted funds	19		33,720		52,229
Unrestricted funds	19		2,277,903		2,194,730
Total funds			<u><u>2,311,623</u></u>		<u><u>2,246,959</u></u>

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

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

The financial statements were approved and authorised for issue by the Executive Committee and signed on their behalf by:



.....
Rahul Sinha

Chair

Date: 27 April 2022

The notes on pages 17 to 36 form part of these financial statements.

THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash used in operating activities	22	513,682	494,341
Cash flows from investing activities			
Investment income	7	949	363
Purchase of tangible fixed assets	14	(21,152)	(59,252)
Net cash used in investing activities		(20,203)	(58,889)
Change in cash and cash equivalents in the year		493,479	435,452
Cash and cash equivalents at the beginning of the year		1,641,590	1,206,138
Cash and cash equivalents at the end of the year	23	2,135,069	1,641,590

The notes on pages 17 to 36 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. General information

The National Council for Civil Liberties is a Company registered with the Registrar of Companies (Company Registered Number 03260840) in England and Wales.

The address of the registered office is given in the Company information on page 1 of these financial statements.

The nature of the Company's operations and principal activities are to challenge injustice, defend freedom and campaign to make sure everyone in the UK is treated fairly.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). Although the Company is not a Charity, in many respects its activities are similar to one and therefore in preparing the financial statements to provide a true and fair view, the Executive Committee has had regard to the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006, to the extent considered appropriate.

The National Council for Civil Liberties 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.

The financial statements have been presented in pound sterling, which is also the functional currency of the Company, and are rounded to the nearest pound.

2.2 Going concern

The financial statements have been prepared on a going concern basis as the Executive Committee believe that no material uncertainties exist. The Executive Committee have considered the level of funds held and the expected level of income and expenditure for at least 12 months from authorising these financial statements. The level of reserves is sufficient with the budgeted income and expenditure for the Company to be able to continue as a going concern.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.3 Income

All income is recognised once the Company 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 donations to be recognised, the Company will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfillment of those conditions is within the control of the Company and it is probable that they will be fulfilled.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Company has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Company, can be reliably measured.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income from trading activities includes income earned from speaking events and services delivered for the Civil Liberties Trust. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Legal income is recognised at the earlier of: the date at which it is received or the date at which the amount to be received can be reasonably estimated and its receipt is probable. This means in practice that legal income is recognised as it is earned - using a 'work-in-progress' estimate.

Membership subscriptions are accounted for on a cash received basis.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is accounted for on the accruals basis. All income is stated net of VAT where applicable.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.4 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. 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. All expenditure is categorised under one of the following headings:

- Legal
- Membership and fundraising
- Policy and campaigns
- Communications
- Advice and information
- Investigations

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.

Expenditure on activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the reporting date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of Financial Activities.

2.7 Taxation

The Company is classed as a not-for-profit campaigning organisation. As such it is necessary to review the different sources of income received in each period for potential tax liabilities. The Company is currently liable to corporation tax on its investment income only.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.8 Tangible fixed assets and depreciation

Tangible fixed assets costing £800 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	- Between 5 to 8 years
-----------------------	------------------------

2.9 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.

2.10 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.

2.11 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 Company 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 in the Statement of Financial Activities as a finance cost.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.12 Financial instruments

The Company only holds basic Financial Instruments. The financial assets and financial liabilities of the Company are as follows:

Debtors – trade and other debtors (including accrued income) are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 15. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Liabilities – trade creditors, accruals and other creditors will be classified as financial instruments, and are measured at amortised cost as detailed in Note 17. Taxation and social security are not included in the financial instruments disclosure. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is simply an obligation to deliver services rather than cash or another financial instrument.

2.13 Operating leases

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

2.14 Pensions

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year.

2.15 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Executive Committee in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Executive Committee for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company 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.

Investment income, gains and losses are allocated to the appropriate fund.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

3. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

- The recognition of grant income to the appropriate accounting period in order to meet any condition of grant stipulated by the funding body/donor
- The recognition of legacy income as meeting the 'reliable measurement' threshold on notification from the executors of the estate and not from any other source
- Useful economic lives of tangible fixed assets

THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

4. Income from donations and legacies

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Donations	5,852	50,649	56,501
Legacies	20,468	-	20,468
Total 2021	26,320	50,649	76,969

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Donations	13,110	410	13,520
Legacies	64,426	-	64,426
<i>Total 2020</i>	<i>77,536</i>	<i>410</i>	<i>77,946</i>

5. Analysis of grant income

	2021 £	2020 £
Civil Liberties Trust	1,625,624	1,588,770
INCLO	18,451	1,280
Legal Education Foundation	61,396	65,736
Open Society Foundation	16,051	58,232
The Oak Foundation	156,000	156,000
Trust for London	-	25,000
Unbound Philanthropy	75,000	60,000
Luminate	355,713	293,191
Paul Hamlyn	-	85,000
Digital Freedom Fund	247	15,226
Other grants	52,652	36,125
	2,361,134	2,384,560

In 2021, of the total income from grants, £419,366 (2020 - £493,012) was to unrestricted funds and £1,941,768 (2020 - £1,891,548) was to restricted funds.

THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

6. Income from other trading activities

	Unrestricted funds 2021 £	Total funds 2021 £
Research, writing and speaking fees	11,788	11,788
VAT refund	974	974
Other earned income	1,649	1,649
Total 2021	14,411	14,411

	Unrestricted funds 2020 £	Total funds 2020 £
Research, writing and speaking fees	30	30
VAT refund	8,513	8,513
Other earned income	445	445
<i>Total 2020</i>	<i>8,988</i>	<i>8,988</i>

THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

7. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £
Bank interest receivable	949	949

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Bank interest receivable	<i>363</i>	<i>363</i>

THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

8. Analysis of expenditure on activities - by fund

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Membership and fundraising	226,003	550,968	776,971
Legal	188,724	365,046	553,770
Policy and campaigns	208,698	562,723	771,421
Communications	207,698	371,620	579,318
Advice and information	72,643	160,569	233,212
Investigations	221,752	-	221,752
Total 2021	1,125,518	2,010,926	3,136,444

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Membership and fundraising	543,162	137,502	680,664
Legal and advice work	128,217	489,419	617,636
Policy and campaigns	92,572	821,390	913,962
Communications	159,001	450,733	609,734
Total 2020	922,952	1,899,044	2,821,996

THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

9. Analysis of expenditure on activities - by type

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Membership and fundraising	602,696	174,275	776,971
Legal	358,833	194,937	553,770
Policy and campaigns	572,971	198,450	771,421
Communications	376,655	202,663	579,318
Advice and information	177,202	56,010	233,212
Investigations	168,584	53,168	221,752
Total 2021	2,256,941	879,503	3,136,444

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Membership and fundraising	541,893	138,771	680,664
Legal and advice work	470,437	147,199	617,636
Policy and campaigns	681,841	232,121	913,962
Communications	395,323	214,411	609,734
Total 2020	2,089,494	732,502	2,821,996

THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

9. Analysis of expenditure on activities - by type (continued)

Analysis of support costs

	Total funds 2021 £	Total funds 2020 £
Staff costs	306,678	253,170
Depreciation	54,453	53,170
Premises costs	130,836	144,103
Office costs	319,298	253,473
Governance costs	68,238	28,586
	<u>879,503</u>	<u>732,502</u>

10. Governance costs

	2021 £	2020 £
Auditor's remuneration - Audit of the financial statements	13,450	12,450
Auditor's remuneration - Accountancy and other fees	3,625	3,395
Auditor's remuneration - Under accrual of prior year fees	179	2,902
AGM	18,018	6,392
Council and Executive Committee costs	10,724	3,447
Legal and other professional fees	22,242	-
	<u>68,238</u>	<u>28,586</u>

11. Auditors' remuneration

The auditor's remuneration to MHA MacIntyre Hudson amounts to an audit fee of £13,450 (2020 - £12,450). They were also paid £2,800 (2020 - £2,600) for accounts preparation and £825 (2020 - £795) for services related to the annual corporation tax calculation.

THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

12. Staff costs

	2021 £	2020 £
Wages and salaries	1,894,891	1,677,186
Social security costs	197,670	191,895
Pension costs	86,555	81,050
	<u>2,179,116</u>	<u>1,950,131</u>

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

	2021 No.	2020 No.
Employees	<u>44</u>	<u>43</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021 No.	2020 No.
In the band £60,001 - £70,000	-	1
In the band £70,001 - £80,000	1	-
In the band £80,001 - £90,000	1	-
In the band £90,001 - £100,000	-	1

The Company considers its Key Management Personnel to comprise of the Director, Advocacy Director, Communications Director, Development Director and the Operations Director in addition to the Executive Committee Members.

The total amount of employee benefits (including gross pay, employers national insurance contributions and employers pension contributions) received by Key Management Personnel was £510,397 (2020 - £389,850).

13. Executive Committee's remuneration and expenses

During the year, no Executive Committee received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 December 2021, expenses totalling £NIL were reimbursed or paid directly to Executive Committee Members for travel and subsistence costs (2020 - £936 to 5 Executive Committee Members).

THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

14. Tangible fixed assets

	Fixtures and fittings £
Cost or valuation	
At 1 January 2021	541,738
Additions	21,152
At 31 December 2021	562,890
Depreciation	
At 1 January 2021	386,631
Charge for the year	54,453
At 31 December 2021	441,084
Net book value	
At 31 December 2021	121,806
At 31 December 2020	155,107

15. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	15,559	40,234
Amounts receivable from Civil Liberties Trust	221,070	486,763
Other debtors	-	27,815
Prepayments and accrued income	142,241	167,876
	378,870	722,688

16. Client's bank account

The Company maintains a designated client bank account to hold funds on behalf of clients for legal cases. At the year-end the balance in the account was £131,446 (2020 - £309,397). Since the funds do not belong to the Company the balance and associated transactions have not been recognised in these financial statements.

THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

17. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	101,333	33,091
Corporation tax	231	300
Other taxation and social security	68,226	52,135
Other creditors	10,243	20,311
Accruals and deferred income	144,089	166,589
	<u>324,122</u>	<u>272,426</u>
	2021 £	2020 £
Deferred income		
Deferred income at 1 January	124,753	50,687
Resources deferred during the year	66,507	124,753
Amounts released from previous years	(124,753)	(50,687)
Deferred income at 31 December	<u>66,507</u>	<u>124,753</u>

Deferred income relates to grant income recognised over more than one financial year in accordance with the accounting policy on grant income.

18. Corporation tax

The Company is only liable for corporation tax on its bank interest income and the tax charge for the year of £180 (2020 - £1,047) has been netted off against income. The effective tax rate for the year was 19% (2020 - 19%).

THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

19. Statement of funds

Statement of funds - current year

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2021 £
Unrestricted funds					
Designated funds					
Fixed asset reserve	155,107	-	(54,453)	21,152	121,806
General funds					
General fund	2,039,623	1,208,691	(1,071,065)	(21,152)	2,156,097
Total Unrestricted funds	2,194,730	1,208,691	(1,125,518)	-	2,277,903
Restricted funds					
Other charitable campaigning work	52,229	1,992,417	(2,010,926)	-	33,720
Total of funds	2,246,959	3,201,108	(3,136,444)	-	2,311,623

THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

19. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2020 £
Unrestricted funds					
Designated funds					
Fixed asset reserve	149,025	-	(53,170)	59,252	155,107
General funds					
General fund	1,721,692	1,246,965	(869,782)	(59,252)	2,039,623
Total Unrestricted funds	1,870,717	1,246,965	(922,952)	-	2,194,730
Restricted funds					
Other charitable campaigning work	59,315	1,891,958	(1,899,044)	-	52,229
Total of funds	1,930,032	3,138,923	(2,821,996)	-	2,246,959

The Executive Committee has established the Fixed asset reserve to reflect funds tied up in Tangible Fixed Assets and therefore not available for other purposes.

A transfer was made between the unrestricted general funds and the fixed asset reserve to represent fixed asset additions purchased using general funds.

The Other charitable campaigning work fund has been established to reflect grants which contained restrictions on how they could be expended.

THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	121,806	-	121,806
Current assets	2,480,219	33,720	2,513,939
Creditors due within one year	(324,122)	-	(324,122)
Total	2,277,903	33,720	2,311,623

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	155,107	-	155,107
Current assets	2,312,049	52,229	2,364,278
Creditors due within one year	(272,426)	-	(272,426)
Total	2,194,730	52,229	2,246,959

21. The Civil Liberties Trust

The Company is grant-funded by a registered Charity called The Civil Liberties Trust (CLT) and at the year-end there was an amount receivable of £221,070 (2020 - £486,763) from the Charity (see Note 15). The Company can appoint a minority of Trustees of the Charity, which in turn can appoint a representative to the Executive Committee. Two Members of the Executive Committee, William Coales and Sonail Naik, were Trustees of CLT during the year. The Chair of CLT is a Member of the Executive Committee.

CLT owns the freehold property and charges rent to the National Council for Civil Liberties under a rental agreement. On 1st May 2019, the Charity Commission authorised CLT to lease this property to Liberty for a term of seven years, at an annual peppercorn rent of £1.

During the year, the National Council for Civil Liberties charged CLT £NIL plus VAT (2020 - £NIL plus VAT) for services performed by Liberty employees on behalf of CLT. The National Council for Civil Liberties has no employees and relies on Liberty staff for fundraising and secretarial support.

THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

22. Reconciliation of net movement in funds to net cash flow from operating activities

		2021 £	2020 £
Net income for the year (as per Statement of Financial Activities)		64,664	316,927
Adjustments for:			
Depreciation charges	14	54,453	53,170
Investment income	7	(949)	(363)
Decrease in debtors	15	343,818	59,841
Increase in creditors	17	51,696	64,766
Net cash provided by operating activities		513,682	494,341

23. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	2,135,069	1,641,590
Total cash and cash equivalents	2,135,069	1,641,590

24. Analysis of changes in net debt

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash at bank and in hand	1,641,590	493,479	2,135,069
	1,641,590	493,479	2,135,069

THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

25. Pension commitments

The Company operates a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £85,555 (2020 - £81,050). At the year end, there were outstanding contributions of £1,925 included in Other creditors (2020 - £1,058).

26. Related party transactions

Other than Key Management Personnel and Executive Committee remuneration disclosed in Notes 12 and 13, there have been no related party transactions during the year.