

Company Number:	2433492
Registered Charity Number:	1088588

LAW CENTRES FEDERATION

(A company limited by guarantee)

ANNUAL REPORT & FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

**Law Centres Federation
Annual Report
For the year ended 31 March 2021**

Reference and Administrative Details for the year ended 31 March 2021

Company number 2433492

Charity number 1088588

Registered office and operational address

Floor 1, Tavis House
1-6 Tavistock Square
London
WC1H 9NA

Executive Officers

The following served on the executive Committee throughout the year:

From 1 April 2020 to 6 November 2020:

Chair: Helen Rogers
Vice Chair: Sally Causer
Vice Chair: Sue James
Treasurer: Sean Canning
Secretary: Elayne Hill

Committee Members: Roger Berry
Simon Brown (until 5 October 2020)
Sharon Challands
Sara Chandler
Vicky Fewkes
Manuela Grayson
Peter Kandler
Muhammad Khan
Patrick Marples
Ursula O'Hare
Mary Prescott (until 5 October 2020)
David Slater
Linda Summers

From 6 November 2020 to 31 March 2021:

Chair: Helen Rogers
Vice Chair: Peter Kandler
Vice Chair: Ursula O'Hare
Treasurer: Sean Canning
Secretary: Elayne Hill

Committee Members: Roger Berry
Sharon Challands
Sara Chandler (co-opted)
Claudia Estephane (co-opted)
Vicky Fewkes
Manuela Grayson
Sue James (co-opted from [date])
Ngaryan Higham (Li)
Patrick Marples
Pamela Robotham (co-opted)
David Slater
Linda Summers

On 31st March 2021 there were 2 elected vacancies on the committee.

The officers and committee members are all members of the Executive Committee.

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Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2021 was 40.

Members of the Executive Committee had no beneficial interest in the charity.

Bankers

The Cooperative Bank
Islington High Street
London
N1 9TR

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

Charity Bank Ltd
Fosse House
182 High Street
Tonbridge
TN9 1BE

Auditors

Moore Kingston Smith LLP
Devonshire House
60 Goswell Road
London
EC1M 7AD

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Report of the Executive Committee for the year ended 31 March 2021

The Executive Committee, which is also the Board of Directors of the charitable company for the purposes of the Companies Act, submit its annual report and financial statements of the Law Centres Federation for the year ended 31 March 2021. The Executive Committee confirms that the annual report and financial statements of the Law Centres Federation comply with current statutory requirements, the requirements of its governing document, as provided in its Memorandum and Articles of Association, and the provisions of Accounting and Reporting by Charities preparing their accounts in accordance with Accounting and Reporting by FRS 102 Charities SORP.

The reference and administrative details on page 1 form part of this report.

The Law Centres Federation trades as the Law Centres Network (LCN).

The Law Centres Federation is a registered charity and a company limited by guarantee. It is governed by the Memorandum and Articles of Association created in 1978 and last updated at the 2019 AGM. The company is registered at Companies House, registration number 2433492. The company is also a Registered Charity registration number 1088588.

Election of Directors/Trustees to the Executive Committee and ongoing Training

LCN is governed by an elected Executive Committee which has corporate and legal responsibility for all activities and functions of the organisation.

People are nominated prior to election, or re-election, by member Law Centres at the Annual General Meeting, in accordance with the Memorandum and Articles of Association of the Law Centres Federation. This provides for the election of 15 members: five officers, five representatives of member Law Centres' management committees and five employees of member Law Centres. Up to five additional Executive Committee members may be appointed by co-option.

The Law Centres Network is committed to ensuring that the membership of the Executive Committee reflects the diversity of its member Law Centres. It annually reviews its composition for diversity as well as the skills of its members to ensure that a balance is maintained of geographic, developmental, financial, legal and management skills across the Executive Committee to enable it to discharge its duties.

An induction event is offered to new Executive Committee members at the beginning of their term of office. All new Executive Committee members receive an induction pack that includes information about the Law Centres Network, and a briefing that outlines the roles and responsibilities of the Executive Committee as both company directors and charity trustees. Recent copies of minutes, management accounts and management reports, together with copies of the Memorandum and Articles of Association, are included in the induction pack.

Throughout the year, trustees are provided with updated information on changes to relevant legislation, their responsibilities as trustees, new guidance provided by the Charities Commission, or other relevant information that may assist them to carry out their duties as Trustees. We also provide training on relevant topics and invite speakers to the Board Meetings as part of our ongoing training for trustees.

Charity Governance Code

Trustees are aware of the Charity Governance Code published in 2017 that sets out the principles and recommended practice for good governance within the sector. LCN has reviewed its governance arrangements against the principles within the Code and believes that it is compliant whilst maintaining its need to operate its governance efficiently.

The charity purchased insurance costing £612.00 included in Support Costs, to protect it from loss arising from neglect or default of the Trustees Directors / Executive Committee members and to indemnify the Trustees against the consequences of neglect or default on their part.

Risk Management

The Executive Committee has overall responsibility for ensuring that the charity has an appropriate system of controls, financial and otherwise. The system of internal controls is designed to provide assurance that the charity's funds are used in line with its charitable objects, for the purposes for which they were granted and for the public benefit. These controls include:

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- A strategic plan and an annual budget approved by the Executive Committee.
- Regular oversight and consideration by the Executive Committee of financial information, variance from budgets and non-financial performance reports.
- Delegation of authority and segregation of duties.
- Identification and management of risk.

Overall responsibility for the Law Centres Network rests with the Executive Committee. Day-to-day management of the LCN has been devolved to the Director.

The LCN undertakes formal risk management reviews throughout the year. This involves identifying the types of risk the charity faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying ways to mitigate the risks.

LCN identified the key risk in the coming three years as: the ongoing impact of Covid-19, both in terms of funding and the impact on the people whom Law Centres serve. It considered the impact of Covid in terms of increased demand; the impact of new court procedure on legal aid, and consequent reduction in income to Law Centres; and the potential for reduced funding for LCN.

Other key risks identified were: ability to maintain sufficient funding; loss of key personnel; and the loss of Law Centres as a result of Covid. The Trustees also consider the potential impact of a changing policy environment as a risk for both Law Centres and LCN. Mitigations were put in place for each of these risks.

The Executive Committee is pleased to report that the charity's internal financial controls conform to guidelines issued by the Charity Commission.

Pay and remuneration of the charity's key management personnel

All LCN staff including key managers have their salary set against the NJC Pay Scales. New staff starting salary is set at the pay point which most closely matches their job description. Increases to the Award, which occur from time-to-time, are passed on to staff. The Human Resources Sub-Committee of the Executive Committee monitor salary policy and make changes as required.

Objects and Activities

The Law Centres Federation (LCN) is the national organisation that represents Law Centres. The term "Law Centre" is a registered trademark, available for use only by members of the Law Centres Federation.

The objects of the Law Centres Federation (LCN) are:

1. To relieve charitable need, in particular financial hardship, and in so doing provide assistance to Law Centres and encourage the formation of Law Centres in the United Kingdom
2. To advance the education of the public by assisting Law Centres in improving and diffusing knowledge of the law and the practice of the law and the administration of justice, having regard especially to those areas or the law which are of particular concern to poor people or are directed to the relief of poverty.

Law Centres are not-for-profit legal service providers, specialising in social welfare law (housing, immigration, employment, welfare benefits, mental health, community care, public law, etc) and related areas of law that affect people in their daily lives, particularly people who are vulnerable and/or economically disadvantaged. Without Law Centres hundreds of thousands of people would have no meaningful access to justice and could not resolve their problems so would be hindered from taking up opportunities.

To become a Law Centre an organisation needs to be vetted by the Law Centres Network, and then voted in by the current membership at a General Meeting. To enjoy the benefits of membership each Law Centre has to comply with membership regulations, including employing at least 2 lawyers and having an independent management committee drawn from the community it serves.

On 31 March 2021 there were 40 Law Centres operating that are members of the Law Centres Network. LCN also has 2 Affiliates. Affiliate status is intended specifically for collegiate law clinics, operated by law students under professional supervision, to ally themselves with Law Centres' work for access to justice and to suggest social welfare law as a career path to a new generation of legal professionals.

The Executive Committee secured resources to employ a Director with 11 staff to implement the organisation's strategic objectives in 2020-2021. These are reviewed and agreed each year so that LCN can achieve its vision and mission:

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LCN's Vision - The Law Centres Network strives for a just and equal society where everyone's rights are valued, defended and protected.

LCN's Mission - We uphold justice for socially and economically disadvantaged members of society by supporting a national network of Law Centres that use their legal skills as a tool for change and their legal expertise to defend the rights of people in their communities. We represent Law Centres at all levels of government and national forums, we help centres to maximise their potential as sustainable organisations, we initiate new Law Centre services for particularly vulnerable groups, and we champion the Law Centre model. We are the collective voice of Law Centres.

LCN's Strategic Goals for 2020-2021

1. Law Centres are resilient and effective in a fast changing and complex environment with best practice effectively shared across the network
2. LCN is a resilient and effective national organisation that initiates strategic national projects.
3. Law Centres are recognised as rights-based organisations that use the law as a tool for change with LCN as their collective voice.

The Law Centres Network acts as a catalyst for activity across Law Centres, working on a national level to reveal injustice, analysing needs and root causes and advocating for change. LCN is uniquely placed to identify what has worked, collect evidence and share that learning across the network of Law Centres and then support other Law Centres to take up proven methods. It drives quality across Law Centres and enables local Law Centres to join together so they can design strategic national responses and exert influence, yet still be embedded in and driven by the needs in their local communities. In this way LCN achieves its charitable objects and its public benefit is produced.

Public Benefit

The Executive Committee (EC) considers that the activity undertaken to achieve its Vision and Mission are for the benefit of the public. The EC referred to the guidance contained in the Charity Commission's general guidance on public benefit including the guidance 'Public Benefit: Running a Charity (PB')' when reviewing its strategic objectives and setting the approach it will take as part of its annual planning process. The EC also reviews progress against the objectives and activity undertaken on a quarterly basis.

LCN's activities benefit the public in 3 ways:

1. Through direct service provision with activities such as the EUSS, and Post-Brexit Projects which assist EU nationals living in the U.K. to understand their rights and access the services to which they are entitled and to apply for Settled Status.
2. Through providing services to Law Centres that enable them to provide legal services to vulnerable and disadvantaged people in their communities with activities such as assisting with tender preparation and funding bids, training, governance support, facilitating effective collaboration and sharing of resources.
3. Through policy work that seeks to address the underlying causes of people's legal problems through strategic projects, through responding to consultations, participating in reviews, representing Law Centres with decision makers, and through working to extend the availability of free legal services for disadvantaged people.

LCN reports publicly on its activity and impact in its Annual Review available on our website: <http://www.lawcentres.org.uk/policy/papers-and-publications> and published with our annual return to the Charities Commission.

Throughout 2020-2021 LCN considered all its activities were for the benefit of the public and were guided by our strategic plan.

Impact 2020-2021

At the strategic planning session in February 2021, LCN staff and Executive Committee reviewed its progress alongside its review of LCN's impact. This is reported on below.

"I really don't know how to begin thanking you for the astounding work you did throughout the year, and then on the December conference. You've achieved some extraordinary things, and I think we'll see

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their impact during the course of next year. Essentially, I think we have paid lip service to the idea of a law centres 'movement' in the past, but this year you lot have somehow focused it into a reality. I couldn't be more proud or grateful."

2020/2021 Response to Covid-19

The 2019/ 2020 Trustees Report LCN described our initial response to the Covid-19 situation. Following is what happened next.

However, first we must thank our funders - The Legal Education Foundation, Esmée Fairbairn Foundation, AB Charitable Trust, and the National Lotteries Community Fund and our other funders who allowed us to divert funds from planned activity to responding to the crisis. Together they provided LCN with an additional £248,833 of flexible funds to enable us to provide the support that Law Centres needed.

In addition, others provided funds for LCN to use as emergency grants for Law Centres. We would like to thank Three Guineas Trust, The Law Society, and several Law Firms who contributed to *The Justice Fund*. These funds were vital. Once we saw that lockdown would not be over in a matter of weeks, and that temporary work arounds would not do, the funds enabled Law Centres to purchase equipment needed for remote working and social distancing, provide cashflow as legal aid payments reduced, assist with communication to service users, engage external consultants to provide individual planning assistance, among other responses.

As a result, **not one Law Centre closed**, when we had predicted in April that 50% were at risk.

LCN also realised that because the changes happened so quickly, we needed to reflect on what had happened, be deliberative about how we move forward, and to think carefully about the support we provide to Law Centres going forward.

And so we asked - **What have we learnt and how should we respond?** We asked:

- what must be done in person?
- what happened to the people we would have expected to be in contact and to local organisations?
- what new ways of working do we want to continue?
- what have we lost that we must find again?
- how will we keep learning?

This led to the *Adaption after Covid* 6-month project funded by The National Lotteries Community Fund. The project focused on the workstreams below and was accompanied by a learning partner.

- New ways of working / service design / operations support
- Community Engagement
- Peer learning and support
- Management support and financial planning

In addition to supporting Law Centres to manage the crisis, LCN identified and responded to systemic and policy issues as they were arising. We engaged in discussions directly with Ministry of Justice, the Legal Aid Agency, the Home Office, Greater London Authority, HM Courts and Tribunal Service, and there was a particular focus on homelessness and the Housing Possessions Court Duty Scheme. We were in continual dialogue with our partner organisations, sharing experiences, resources and ideas. It was a moment when our shared purpose was clear and so we were able to try new things and come together in new ways. Some of this has stopped now but LCN hopes that the best of it will continue.

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Progress against LCN's Strategic Goals for 2020-2021

Strategic Goal 1

Law Centres are resilient and effective in a fast changing and complex environment with best practice effectively shared across the network.

2020/2021 priorities

1. Service adaption and other Law Centre support

The extent of individual support required by Law Centres in 2020/2021 has forced us to think again about how to better provide individual support. We have found that no amount of early action can remove the need for immediate support in times like these. But there was so much help needed that we have had to learn how to provide bespoke support smarter, and this is what we are working on now.

By end of March 2021 we have put in place new ways of working together, we have developed new tools that will facilitate ongoing learning and sharing of resources, we have developed a better understanding of how to incrementally effect change across the network of Law Centres, and so these initiatives together will allow us (LCN and Law Centres) to continue to reflect, improve, grow, and better respond to those we serve.

Over 2020/2021, LCN

- Provided regular operational guidance to help Law Centres deliver Covid-safe services and that would support CEO to effectively manage their Law Centre
- Provided 130 specific Guidances on topics such as: Employment and HR, Risk Assessment on Working from Home, the Furlough scheme, vaccine hesitancy amongst staff, etc
- Provided workshops, resources and individual support on service re-design and principles
- Provide weekly Support and facilitated peer learning to ensure that Law Centres could adapt their service provision to meet community needs, while retaining a focus on staff welfare and wellbeing
- Facilitated virtual 1:1 meetings with Law Centres to better understand their needs and how we might support them
- Assisted 29 Law Centres on an individual basis to review their financial situation and help with financial planning
- Provided direct operational, strategic and governance support to Law Centres most at risk or experiencing short-term crises
- Ran workshops and offered individual support on performance management, remote supervision, quality and compliance, strategic planning, financial planning, and income generation
- Liaised with the Court and Tribunal service ensuring remote hearings work for Law Centre clients
- Jointly considered ways to address the loss / lack of other (non-statutory) services, particularly those required to support clients e.g. Support Worker services inc. advocacy, pre-legal steps (making claims, initial challenges etc.), short-term financial support, access to food, help registering for healthcare / navigating making appointments etc. One such response was a joint project with *Crisis* which continues.

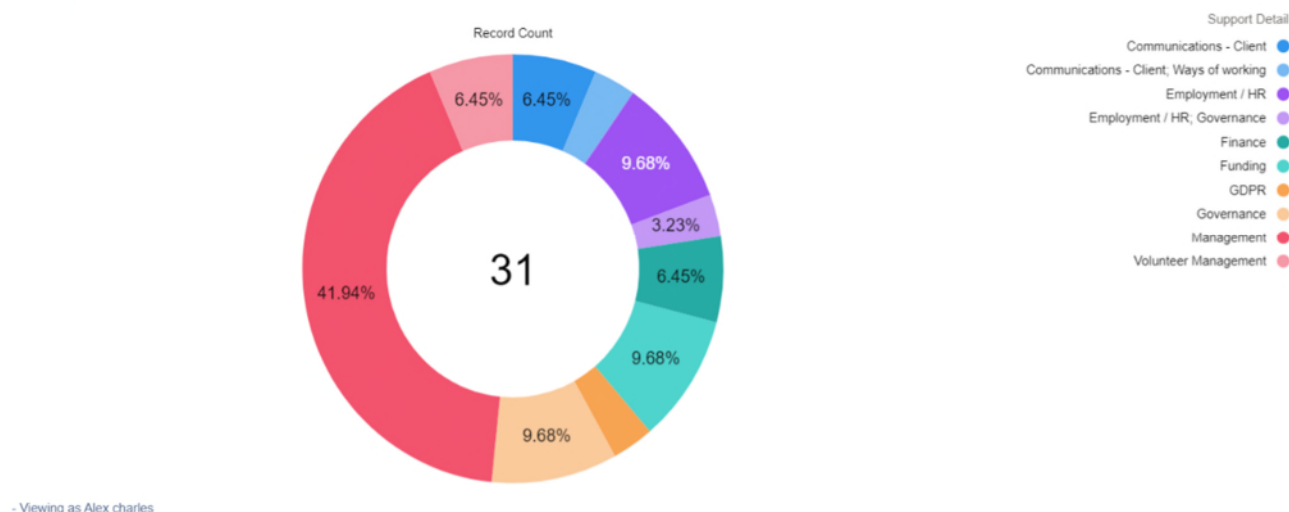
The following graph indicates the variety of assistance we provided to Law Centres:

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Support Given by Service Area
Quarter 4 2020-21



2. Community Engagement funded by the National Lotteries Community Fund - Covid Grant

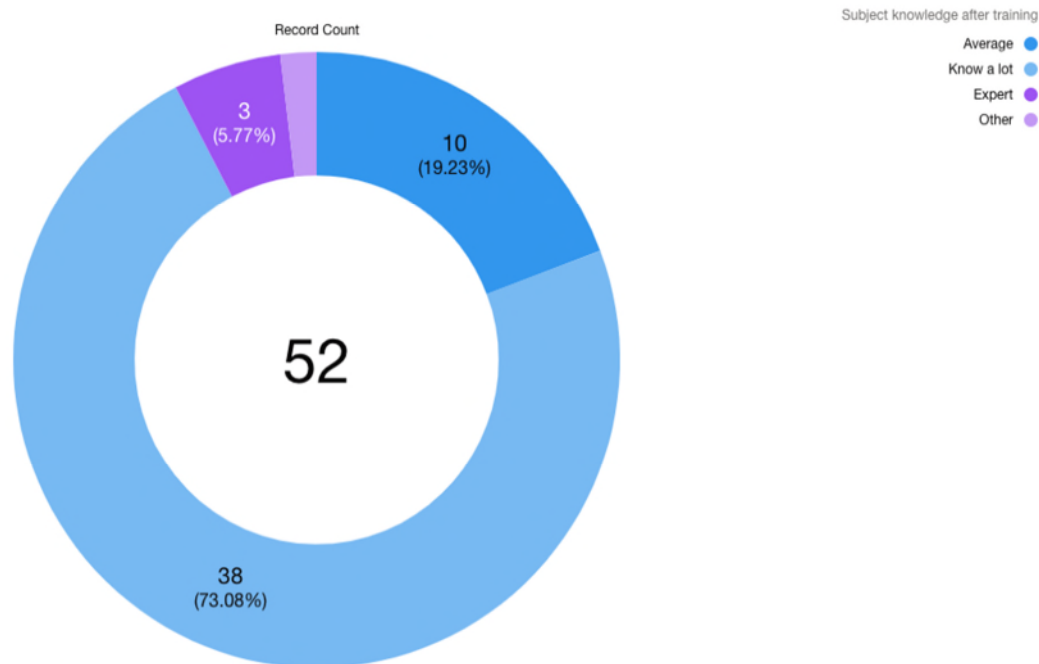
As the pandemic took hold, we noted the impact of the loss of those small local groups who are the first point of contact for many Law Centre clients. We realised that Law Centres were juggling so much that they needed help to rebuild these connections. With funding from the Lotteries we recruited two short-term Community Engagement officers to develop a program of support. The “Working Brilliantly with Communities” was a series of virtual workshops and training sessions. These were hugely popular, with 161 staff attending across 19 sessions, representing over 80% of Law Centres. One of the strengths of the project was that people at all levels of law centres participated – enabling caseworkers who might not generally have a chance to consider how their work contributes to the Law Centre at a structural level, to consider how they can contribute to community engagement.

The sessions were complemented by bespoke support to 8 Law Centres that included facilitating community consultations, developing community engagement strategies and sessions to develop better partnerships with local agencies. All sessions and materials have been ‘captured’, are hosted on the *Platform* and are available for ongoing use by Law Centres. We plan to build on this foundational work in 2021.

Based on the feedback we gained from those delegates 95% of participants rated the sessions either good, very good or excellent (with 43% rating excellent) and 71% of participants said that the sessions ‘absolutely’ met their expectations. Perhaps most importantly though when asked ‘what was the relevance of the training to your work?’ 80% of delegates replied ‘essential’.

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Knowledge After Session



09-Jul-2021 18:53 - Viewing as Julie Bishop

"I will utilise this [training] in an upcoming grant application for work from July 2021 onwards (hopefully) to build a project with client involvement at its core and start putting ideas into practice now"

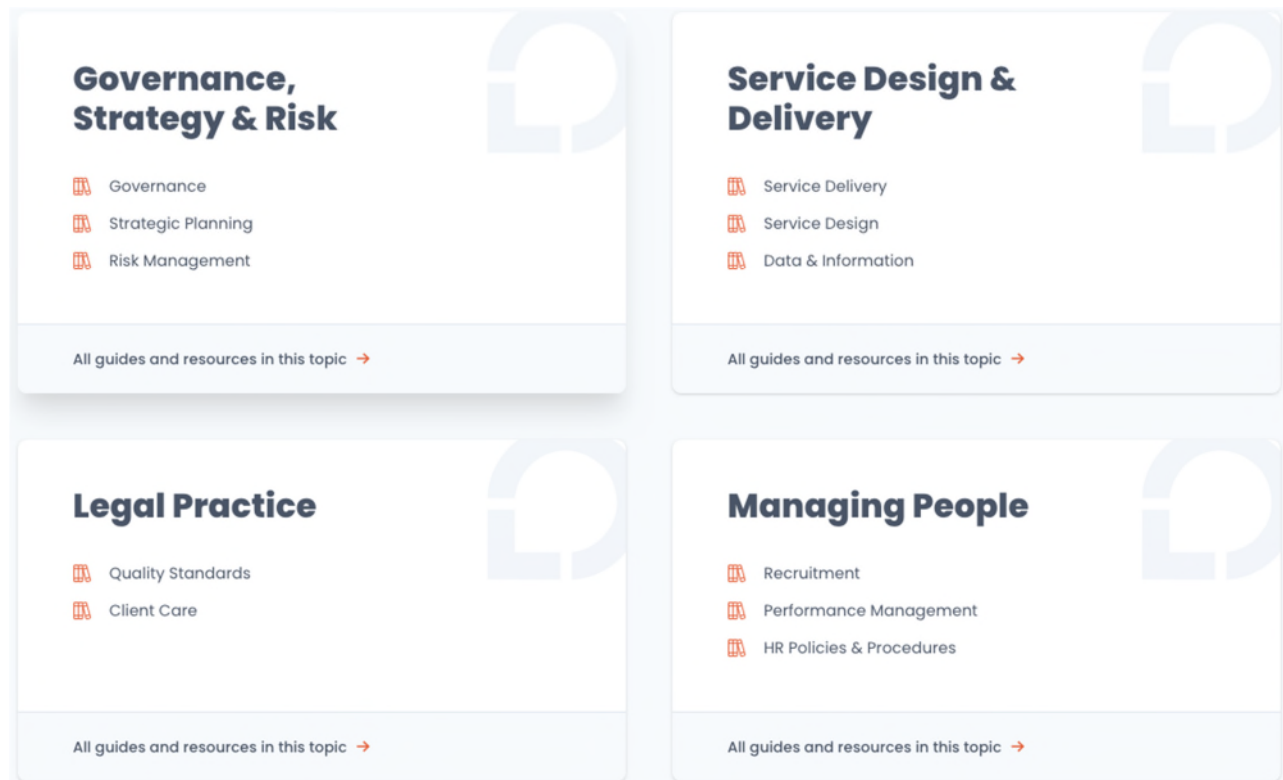
3. Law Centre in a Box project funded by AB Charitable Trust

LCN identified in 2019 that we needed a way to provide a base level infrastructure to all Law Centres as way to ensure a baseline level of infrastructure, policies and as a means to nudge better practice. We realised that a basic set of affordable resources such as office policies, legal library, training / learning resources, and digital hardware and software, would make the creation of new Law Centres easier, ensure baseline quality from the beginning. The digital team, as part of their Digital Transformation work, built the Law Centre platform, in part to host *The Box*.

The Box already contains over 200 guides, tools, and resources to ensure the quality of new Law Centres and the strengthening of existing Law Centres. It will get bigger as we gather new insights into what we need to put in there and develop new resources.

The screen shot below shows a sample of *Box* resources:

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4. Raise the Game - Funded by John Ellerman Foundation

During this period, LCN delivered 49 events, workshops and training sessions to more than 500 staff and volunteers in 40 Law Centres.

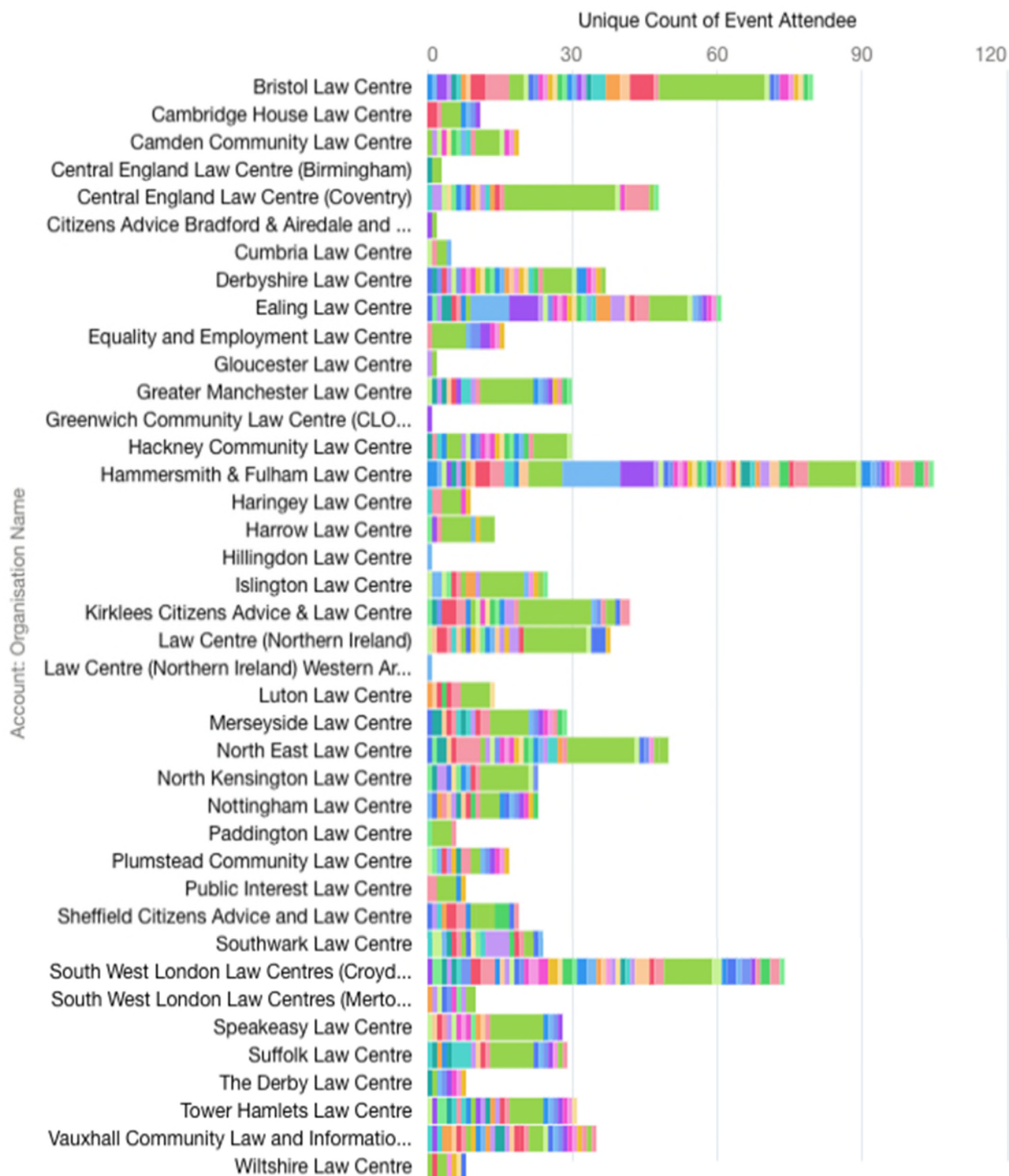
In addition to group learning opportunities on a specific day, we identified the need to develop more options for 'asynchronous learning'. On a basic level, this has meant improving our ability to record and publish training. We are working on new ways for Law Centre staff to navigate these resources, so that they are able to learn and answer questions quickly as they encounter issues rather than wait for a course or time to watch a webinar.

We have identified peer learning as a key 'nudge' to behaviour change and consequently, we continue to develop new peer learning opportunities. An example is the introduction of lunchtime *Innovation and Learning* sessions, which are monthly workshops (both recorded and live) presented by Law Centre staff and volunteers highlighting unique projects or new approaches to their work. Resources are then shared via the *Law Centre platform* (discussed below).

The following graph shows the extent of engagement in training and learning activities over the year:

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Training - Centre Engagement



5. Income Generation / Fundraising

LCN Secured £4,282,927 for Law Centres during £2020/2021, £3m of which was a grant from Ministry of Justice as part of their Covid response. In addition, we assisted Law Centres to secure an additional £1,010,700 in grants from the Community Justice Fund for Law Centres.

£332,227 was raised in donations and grants from Law Firms, and charitable trusts and foundations in response to the Covid Crisis. Barrister, Adam Wagner, alone raised over £30,000 for Law Centres. We thank him sincerely, as we do all our generous donors.

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6. Digital transformation - IT Upgrade and other initiatives - funded by The National Lotteries Digital fund and by The Legal Education Foundation

The **National IT Upgrade Project**, funded by Legal Education Foundation, has been running since 2015 and is now in its fourth Phase. Phase 3 was completed in 2020 / 2021. It forms part of LCN's wider Digital Transformation initiative to enable Law Centres to embrace digital solutions where relevant, to improve ways of working and improve the experience of clients accessing Law Centre services. It focuses on Digital Infrastructure and facilitating improved ways of working through adoption of cloud technologies and collaborative tools like Office 365. This involves an audit of existing infrastructure, replacing or updating old or antiquated infrastructure and systems (laptops, servers, equipment, telephone etc.), provision of mobile equipment including laptops, support to move emails and files into the cloud, as well as training and support to make the most of Office 365.

Because of this project, LCN had the staff, expertise and systems in place to support Law Centres to successfully transfer to remote working in 2020, to continue to help them to develop new ways of working and to facilitate their continued service to their communities in unprecedented circumstances.

By 31 March 2021:

- LCN has successfully upgraded Law Centres in 25 locations and 532 users over Phase 1, 2 and 3 of the IT upgrade project
- In 2020 /2021, 8 Law Centres and 233 users were migrated to O365. 150 laptops and associated equipment was provided.
- As part of Phase 4, LCN is currently working with another 9 Law Centres.

In addition

- 12 high risk servers have been retired and removed
- Disaster recovery strategy has been developed, which has been timely in 4 Law Centres
- Business continuity assured thanks to Microsoft Cloud deployment
- Security and safety of data provided: GDPR compliance achieved as a result and specified GDPR training provided as well as on-going GDPR support for the centres provided
- Regular monitoring of security both in the Cloud and with on premises systems ensuring best continuous protection, in particular anti-virus and anti-hack
- Estimated time saved of 15 minutes per user per day thanks to faster computers, removal of servers, and accessibility of information from any internet enabled location.
- Across the network this is a productivity improvement of 133 hours per day or the equivalent of 9 full-time staff

"This has been a fantastic opportunity for our Law Centre. We had been working with old, unreliable equipment. This has enabled us to not only benefit from new equipment but also benefit from upgraded software with much more functionality than we had before, thus increasing overall efficiency and effectiveness. It has allowed us to implement new working practices that were never possible before and which has increased the connectivity between staff during these difficult times. The impact of COVID has been hugely reduced as we were able to move to remote working almost instantly with no impact to service delivery. Well done to the whole LCN team and Adrian for their help and support on this." LCNI

The objectives of the **Digital Transformation Project** funded by The National Lotteries Digital Fund are:

1. Help-seekers have a better experience
2. Law Centres can work more easily
3. LCN works more effectively (including Law Centre networking / collaboration)

To achieve this, we have four workstreams:

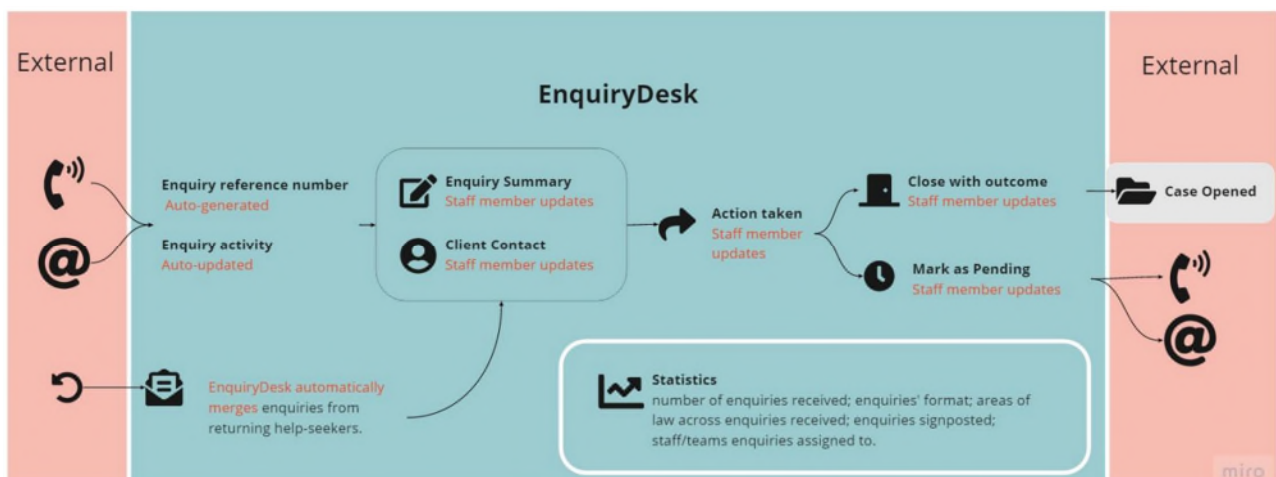
1. Understand the needs of Law Centre staff and help-seekers
 - Since 1 Apr 2020, we have [tested products with 53 members](#)¹
 - Since 1 Apr 2020, we have conducted 23 interviews with external stakeholder (including 16 help-seekers)
 - We have generated [203 notes](#), which has resulted in 100s of new features

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2. Equip Law Centres to become resilient and future-proof
 - Digital Project engagement
 - [205 attendees](#) to Events & Training relating to Digital
3. Enable a common approach to digital innovation to be adopted across the Network.
 - Developed a basic [Design System](#)
 - Provided specialist advice to several Law Centres as to their digital strategy and service design (e.g. LCNI, SWLLC)
4. Respond to the needs of Law Centres and their communities strategically.
 - We have supported 9 Initiatives focused on supporting Law Centres (enquiry management, back-office management, practice management, etc)
 - Back-office: we have engaged 3 Law Centres to take part in the back-office project (Human Resources and Volunteer Management, Fundraising etc)
 - Demand Management: EnquiryDesk is being developed to assist Law Centres to better manage enquiries made through any channel - Phone, SMS, Whats App, email, in person. We have run 4 pilots with Law Centres and continue to develop the product.



Strategic Goal 2

LCN is a resilient and effective national organisation that initiates strategic national projects

2020/2021 priorities

1. A stronger network of Law Centres

New Law Centres

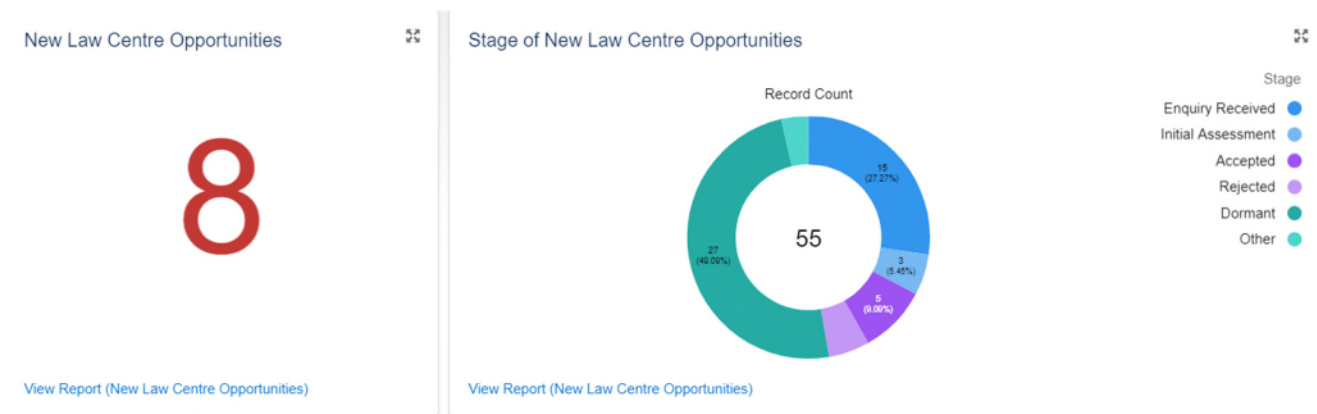
LCN continues to receive enquiries from organisations and individuals wishing to set up a new Law Centre. It usually takes about one year for an existing organisation to become a Law Centre but if they are starting up, it can take up to 5 years to raise the funds and build the necessary infrastructure to establish an organisation that will meet our minimum requirements. It is also envisaged that the *Box* project, discussed above, will not only be a resource for existing Law Centres but will facilitate the establishment of new Law Centres providing them with a basic set of tools, policies and other resources to get going.

In 2020/2021 LCN was engaged with 8 potential new Law Centres:

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Law Centres together

The strength of LCN is dependent on the extent of engagement across our membership. The impact of Covid resulted in Law Centres coming together to collaborate and support each other through the crisis. The move to remote working showed LCN that we could bring staff together across the country in new groupings and more regularly than had been possible when we thought the best way was in person. Throughout 2020 we established and have continued weekly meetings of Law Centre managers, and regular catch-ups staff in other roles across Law Centres such as Finance workers, communications officers, Chairs, Administrators, etc. We have also established communities of practice across each of our main areas of law - housing, immigration and asylum (and EUSS), employment and discrimination, welfare benefits, etc. Together lawyers across the network support each other, exchange experience and jointly solve problems.

Over the year, every Law Centre engaged with at least one activity as table below shows.



"I have been more involved in the network this last year than I have ever been during my 11 years at the Law Centre."

"We would not have survived this past year if we were not part of the network"

2020 Annual Conference

The 2020 Law Centre Annual Conference took place in December, the week before Christmas. It was an online event, titled, *Activist Lawyers in a Changing World*. There were 4 plenaries, 24 workshops, social events, wellbeing sessions, online networking, over 4 days and evenings, with almost 400 participants during the conference and twice as many views of the sessions following the conference.



Activist Lawyers, Virtual Conferences and Setting a High Bar

🕒 December 17, 2020 📁 ODR 👤 Roger Smith

"The conference has, indeed, been so good that it becomes a statement in its own right. And what it says is that law centres are significant players in the delivery of legal services in England and Wales; they have access to the imagination and funds to produce a swanky conference; and that their work intersects with significant other players both national and international. The conference had time to explore both work that law centres were doing – human rights, immigration, housing, anti-racism, employment, welfare benefits, debt – as well as how they were doing them." Roger Smith

2. Improved collaboration amongst Law Centres - Digital Platform development

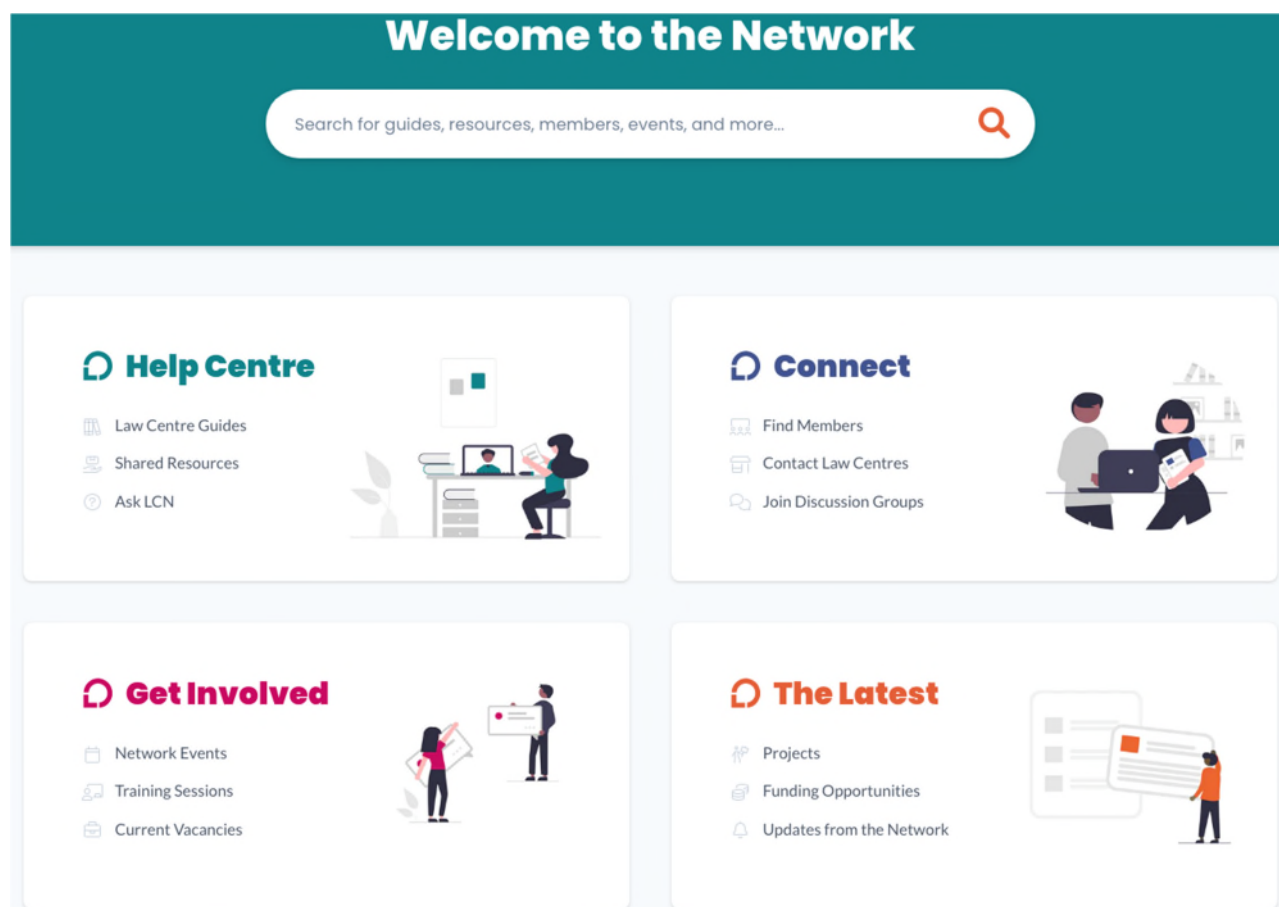
In addition to bringing Law Centres together as discussed above, we have built a digital tool, the **Platform**, to facilitate this exchange across the network, to capture learning, to share ideas and events (such as the 2020 Conference), and to store resources for future use.

The objectives for [Platform](#) Development are:

1. Usable: Members find what they're looking for and it's easy to use
"The Platform looks really good, really helpful, really easy to use."
2. Useful: Members get value from the Platform
" new platform looks great! Think it will be really useful. Really love the funding opportunity section."
3. Members feel part of a wider community
"Really handy to have other law centre contacts with descriptions of roles and contact details."

Following the end of the financial year, within the first month of the Platform's release (8 Jun – 7 Jul 2021):

- 223 New Users; 236 Users³
- 29 members have listed themselves on the Directory
- Members have visited 21 Guides



3. Develop and implement strategic national and regional projects

Increasing EUSS Access among EU Londoners funded by Trust for London

The aims of this project are:

- To analyse and interrogate LCN's data collected while working on previous EU Citizen related projects
- Service-provision for vulnerable EU Citizens in collaboration with 2 London Law Centres
- Advocacy and systemic change

LCN is working with two external research consultants to analyse casework data collected through four previous projects on EU Citizens:

- Living Rights Project, which provided non-EUSS advice;
- EUSS Complex Cases Project, which focused on EUSS advice;
- EU-Latin Americans Mobile and Participating (EULAMP); and
- Protecting the Rights of EEA nationals in the wake of Brexit (PRE-Brexit) projects with EUSS advice

The research team is investigating demographic profiles and casework patterns, with particular attention to any vulnerability characteristics emerging from the data. We are working with Tower Hamlets Law Centre and Harrow Law Centre to offer training opportunities to London Local Authorities on their duties to residents in their care, second-tier advice, and direct complex case client advice.

The first report from the project was published in July 2021.

Victims of Crime Project funded by the Bell Foundation

For people whose first language is not English, reporting a crime and navigating the justice system can be confusing at best and impossible at worst. A lack of police guidance on how to handle such cases, legal jargon and a lack of interpreters can pose severe barriers to accessing justice.

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Together with Harrow Law Centre, this project seeks to address barriers in access to justice and services for victims of crime whose first language is not English. The London borough of Harrow is one of the most diverse in the country and most of its residents were born outside the UK.

We are working with Harrow Law Centre to establish and document a successful model for supporting victims who have English as a second language. Our proof of concept will be disseminated to other civil society organisations that support victims and to policy makers.

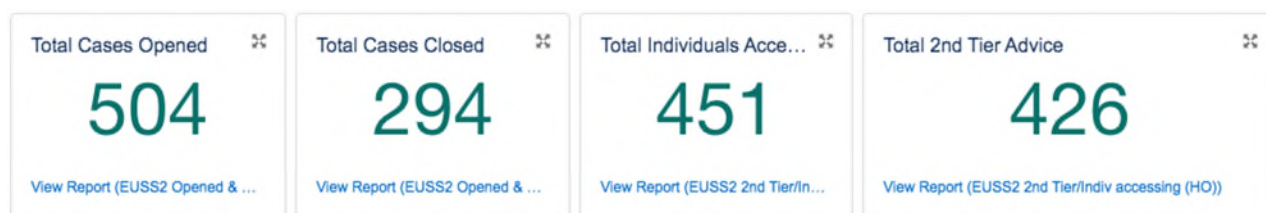
This year we have:

- Conducted research to identify lessons and good practice on sustainable victim care and practical support
- Work with other Law Centres to replicate the model with Greater Manchester Law Centre having been funded to do so.
- Successfully organised a roundtable event with key stakeholders that reviewed recommendations for change, brought people and organisations together (including those of other grantees) and to agree policy responses and future activity.

EUSS project to support vulnerable EU citizens apply for Settled Status funded by Home Office

The EUSS grant from the Home Office was extended for further 6 months. £182,960 was distributed to 16 Law Centres partners to provide practical support to vulnerable EU Citizens and their family members ("Citizens") to help them make their EU Settlement Scheme application.

In 2020/2021, Law Centre partners provided:



At the end of the LCN managed project, 1864 people supported to apply to EUSS scheme over the 18 month project and 1,233 instances of expert assistance was provided to organisations. LCN also supported individual Law Centres to apply for new EUSS grants and to transition from the LCN partnership. Law Centres secured over £500,000 in new grants and will continue their work to support vulnerable EU citizens to apply to EUSS in new partnerships.

4. Promote the 50th anniversary of Law Centres

Lockdowns and impact of the Covid Pandemic have delayed planned in-person 50th Anniversary events. A Cycle event *The Ride for Justice* is planned for later in 2021. However, much work continued on the 50th anniversary campaign titled *Make Law For All*. The *Justice Fund*, established to receive donations, raised over £100,000 from Law Firms (now distributed to Law Centres) in response to the first lockdown.



History of the Law Centres movement - Enhancing Democratic Habits

In association with Law Centres 50th Anniversary, the Centre for Socio-Legal Studies at the University of Oxford has been awarded a research council grant for a history project on the Law Centres movement, with LCN as a project partner. It sets out to capture an oral history of the Law Centres movement as well as its material history through its publications. In this way, it aims to capture in-depth accounts of radical lawyering in Law Centres and how they address problems arising from the UK's inequalities and democratic deficit.

It will do so in two stages:

- Collecting copies of Law Centre annual reports and other publications which will be deposited in the British Library to form a new national collection
- Conducting interviews with 65 people who have played important roles in the movement over the years

The 3 year project has been warmly welcomed by Law Centres with many more than the proposed 65 interviews having taken place. It will be further reported on in coming years.

5. Strengthen LCN itself

Part of the work of the digital transformation project has been to explore how to improve LCN's own systems. The development of the *Platform* is a more efficient mode for LCN to distribute resources, provide updates, manage groups within the network etc. The LCN Website is being redeveloped in tandem with this work. (see below). Importantly, our work on determining what data LCN needs to better fulfill its purpose has lead us to undertake a project focusing on LCN's data, funded by the Legal Education Foundation. Our dive into data has lead us to develop a new Theory of Change for LCN. This will be published later in 2021. LCN has also been exploring how to work more effectively together as a team, and more particularly as a hybrid team, now that almost half of our staff is outside London.

Strategic Goal 3

Law Centres are recognised as rights-based organisations that use the law as a tool for change, with LCN as their collective voice

1. Policy funded by Esmée Fairbairn Foundation

This year's shift of LCN operations to an emergency footing has included our policy and advocacy work. Our initial priority was to preserve Law Centres' services for their clients. Subsequently, our focus shifted to equipping Law Centres to prepare and respond to frequent changes in public guidance and provisions. This has entailed considerable time liaising with the relevant public agencies that affect this. Notable activity and achievements in this period include:

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- **Securing emergency resource** for Law Centres and access to justice: we made the case for additional public funding to address surging need during the pandemic. This led to a government grant of £3m being awarded to Law Centres via LCN, and a share of a further £2.4m awarded for specialist advice organisations through the Community Justice Fund.
- **Direct advocacy:**
 - We have been informing and influencing public policy through written and oral evidence to Parliament's Justice Committee (on Covid-19 impact on the advice sector) and the All-Party Group on Legal Aid (on legal aid sustainability); as well as submissions to the Independent Review of Administrative Law (on Judicial Review) and Social Security Advisory Committee (on Universal Credit Covid-19 mitigations).
 - We have also made extensive contributions to policy development work in key areas for Law Centres, including civil legal aid sustainability and the legal aid means test review, as well as more detailed input on a review of Exceptional Case Funding, digital development, Assisted Digital Support for litigants and the Legal Support Action Plan.
- **Indirect advocacy:** we contributed to a variety of academic and applied research projects and influence their recommendations and agendas. These have included the Civil Justice Council's rapid review of court adaptations; Paul Hamlyn Foundation's report on increasing capacity of immigration advice (informing Justice Together Initiative funding); Nuffield Foundation's new justice research priorities; Human Rights Watch's research into bias in Universal Credit decision making; and several others.
- **Court reform:** weekly liaisons with HM Courts and Tribunals Service and the Ministry of Justice monitoring Covid-19 arrangements with adverse effects. We later helped HMCTS anticipate and adapt to new trends as courts reopened, which it regarded as "exceptionally helpful". Later still, in our involvement in the Master of the Rolls Working Group on Possession Proceedings, we pushed for better tenant access to emergency advice to prevent eviction.
- **Public campaigning:** we have been vocal on a variety of pandemic-related issues affecting Law Centre clients: temporary immigration status for all migrants early in the pandemic; improving support for refugee migrant reunion; extended deadlines for workers who want to challenge discrimination by their employers through the employment tribunal. Our earlier calls to support tenants to avoid eviction and to increase Local Housing Allowance to help them keep up with rent were followed up by LCN joining the Renters Reform Coalition.
- **Representation:** as the representative body for Law Centres, LCN promotes their interests through a variety of sector and professional forums, such as the Law Society's specialist practitioners' group and the Legal Aid Agency's civil contracts consultative group.

2. Communications

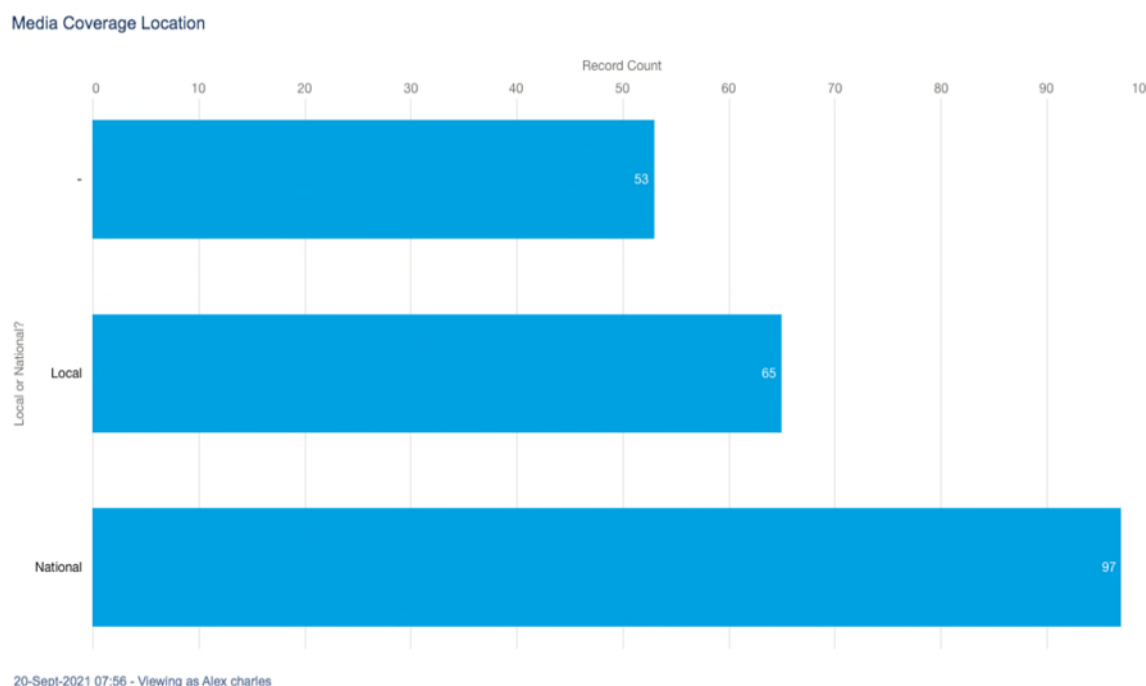
In this disrupted year, LCN has nonetheless managed to maintain and develop its communications work, in part thanks to the temporary additional resource of an intern, who worked primarily on supporting our social media function.

- **News media:** the network was covered in 208 news items this year, an increase of 32% on last year. 142 of them, or just over two-thirds, were in national outlets, split almost evenly between generalist and sector-specific outlet. LCN featured in 46 of these articles, or 22% of the total, a relative and absolute increase on last year. This year we have also experimented in paid-for exposure through a dedicated section in Proof, a magazine on justice issues, to celebrate the long history of the Law Centres movement through a dedicated section of original material chosen or produced largely by LCN.

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- **Social media:** this year we have increased our direct followers by 14% and our reach by 23% across the media where we operate: Twitter, Facebook and LinkedIn. We now reach just under 250,000 people a month on average. This growth was led by Twitter, which is by far our largest presence, as a combination of internal and external factors. Our periodic email newsletter, too, now reaches 25% more recipients and with a steady open rate. Additional resource for social media has enabled us to increase the proportion of scheduled content and to make it more visual, which in turn frees up more capacity to respond to events as they occur.
- **Support for Law Centres:** this year we have improved our support for members to undertake their own communications work through the creation of a dedicated community of practice with its own channels of communication. We also intend this to facilitate peer learning among members and to improve our collective ability to respond more quickly to media requests.
- **Website:** we are in the process of replacing the current LCN website and some of its sections are already rerouted to alternative online locations with new content. The technical work is largely undertaken in house through our digital team. It draws on user research with a range of stakeholders to shape its structure and design work to for a clear and inviting look and feel.

3. Brand

LCN is the protector of the Law Centre name and brand, in the broader sense of what the public understands that Law Centres are, do and stand for. As such, this year we have worked on several initiatives that increase public awareness and appreciation of Law Centres, marking the movement's fiftieth anniversary in July 2020 on the anniversary of the founding of the first UK Law Centre.

One such initiative is:

- **'Make Law For All':** this ongoing fundraising campaign for Law Centres, two years in the planning, is LCN's first attempt at a structured fundraising campaign, and the first time that LCN and Law Centres have undertaken fundraising jointly rather than each on its own. It has had a considerable profile raising aspect, which includes dedicated social media channels and a promotional report that showcases Law Centres' responses to the pandemic as well as research into the affordability 'justice gap'. The campaign has had early success in appealing to law firms at the onset of the pandemic, and again toward the end of the year through a fundraising drive by barrister Adam Wagner, both of which generated enough funds to support several Law Centres with grants.

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The Future - the next 10 years

The simple reality is that the speed of change is such that detailed planning for any longer than 6-12 months is often of very limited value as the staffing, funding, political and technological environment changes at a pace which means that strategic and operational planning need to be agile and adaptable (to ensure that opportunities are taken and that risks are managed and mitigated).

For this reason, LCN has changed its approach to business planning. Instead of annual reviews, we have implemented a 6 monthly review process. At each review, detail for the coming six months will be updated and the plan will be extended so that it always looks at least three years into the future.

The coming 3 years present big challenges, particularly as a result of Covid-19. Law Centres are facing reduced funding from April 2021; the need to adapt to new technologies and embed remote service provision; and new community and client needs arising from the pandemic. Strong, resilient and accessible Law Centres are needed more than ever. LCN must step up to support them to respond to these challenges.

Consequently, in December 2019 LCN set out a longer term (10 years) vision for Law Centres and for LCN. This gives us a clear sense of direction and aspiration.

In the coming 10 years, we will ensure that:

1. The national network of Law Centres will have grown to at least 60 Centres;
2. All Law Centres will be resilient and secure with access to the latest technology and able to meet community needs and expectations;
3. Law Centres will be recognised as rights-based organisations that use the law as a tool for change;
4. LCN will remain at the heart of the network providing an increased range of support services to Law Centres and recognised nationally as the voice of Law Centres and a champion for access to justice and social change.

The Year Ahead - 2021/2022

Following a reconsideration of LCN's Theory of Change in 2021, we have clarified our strategic goals. As a result in 2021-2022 LCN aims to:

1. Help Law Centres
2. Strengthen the network of Law Centres
3. Amplify the voice of Law Centres

Late in 2021 the new Theory of Change will be published. LCN will continue to review priorities each 6 months and set them with regard to the situation at the time but with the aim of achieving our longer term ambition.

Fundraising Practice

As for many charities, raising voluntary funds from trusts, foundations and individuals is a vital source of income for LCN, enabling us to fulfil our charitable objectives as effectively as possible. We are very grateful for the support given by all our donors.

LCN believes that fundraising should be an open, honest and respectful process. We aim to build and maintain solid partnerships with our supporters and donors, based on mutual understanding and shared values. In developing our approach to fundraising we have taken account of the Code of Fundraising Practice issued by the Fundraising Regulator. LCN is registered with the Fundraising Regulator.

LCN operates with a small internal fundraising team. In addition to this, we have engaged external consultants to assist us with our 50th Anniversary fundraising campaign. LCN does not, nor will not, engage

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in face-to-face or telephone fundraising. LCN has received no complaints about its fundraising activities either during the financial year or subsequently.

GDPR

LCN continues to monitor our compliance with GDPR. LCN's Privacy Policy, published on our website, clearly states what personal data LCN will hold in relation to supporters and how this data will be used. It also sets out how individuals can raise concerns or complaints. In late 2021, we plan to review our data protection procedure and privacy policy.

Financial review

The net incoming resources for LCN for the year ended 31 March 2021 totalled £145,770 (2020: outgoing resources -£146,572).

LCN had a net surplus on unrestricted funds of £117,776. Together with the accumulated surplus brought forward from previous years, the charitable company now has accumulated unrestricted funds of £306,301 (2020 £188,525).

Our main source of unrestricted funds continues to be from subscriptions from Law Centres and donations. In addition, a contribution this year of £5,062 (2020: £11,034) as gifts-in-kind was generously provided by several law firms.

Restricted funds carried forward at 31 March 2021 amounted to £300,690 (2020: £272,696). This is sufficient for the activities for which the funds were provided.

Reserves policy

The Executive Committee has considered the following factors when considering a reserves policy:

- the organisation's contractual obligations to its staff in terms of parental rights, sickness pay and redundancy provisions;
- the organisation's obligation to maintain a safe and clean working environment;
- that certain equipment is essential for our work;
- that an increasing proportion of the organisation's income is now derived from fixed term project grants; and
- the potential impact of the Covid-19 pandemic on future grants and donations.

The Executive Committee agreed that LCN should maintain unrestricted funds equal to six month's core service running costs. This amounts to £254,640. The current level of unrestricted reserves is £306,301 of which £145,000 is designated, at Balance Sheet date, leaving £158,353 in free reserves. This is sufficient for LCN to run for 4 months. Unrestricted cash balances on 31 March 2021 amounted to £265,325 which includes designated cash reserves, therefore, free cash reserves held at 31 March 2021 amounted to £120,325.

The level of unrestricted reserves and available cash is sufficient for LCN to meet its obligations to all staff (calculated at £107,500) should it cease trading. The Executive Committee has budgeted for a surplus in the coming year in order to build reserves to the level they believe is prudent given the current circumstances in the UK.

Going Concern

At its meeting on 5 July 2021, the Executive Committee considered whether LCN will be a going concern for the coming twelve months. The EC were provided with draft end of year accounts, Quarter 1 2021/2022 Management Accounts including the Balance Sheet, 3 year budget (2021-2024) with cash flow projections, Cease Trading calculations, Reserves calculations, LCN Risk Register, LCN Fundraising Strategy, Checklists 8 and 20 for completion, Charity Commission's *15 Questions Trustees Should Ask*, Guidance on *Charity Governance, Finance and Resilience*, and Guidance from the auditors.

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The EC discussed whether LCN has sufficient reserves to cover its liabilities should it have to close; they assessed whether the documents indicated that LCN is on sound financial footing for the immediate future. They considered the Reserves policy, the risk assessment, how LCN manages its finances, its staffing requirements, its charitable objects, its strategic plan, its obligations to funders, the safeguards it has in place to protect against fraud, its leases and premises, and our current banking arrangements. Importantly the Committee considered the current economic climate, and the ongoing impact of Covid. They asked whether LCN is robust enough to address unexpected situations? Finally, they discussed the likelihood of the number of Law Centres increasing or decreasing in coming years and what impact that would have. It was noted reputational risk should also be considered. It was also asked whether LCN had considered merging with other charities. It was agreed that the Finance Sub-Committee should monitor Risk on a regular basis alongside the finance reports.

The Executive Committee then agreed that LCN is a going concern until the end of 2022.

Statement of Trustees' Responsibilities

The trustees (who are also directors of the Law Centres Federation for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

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

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Events since the end of the year

In the opinion of the Executive Committee no event since the balance sheet date significantly affects the company's financial position. However, the Executive Committee is continually monitoring the impact of the Covid-19 crisis on LCN's current and future finances. Fortunately, the LCN has been well supported by its funders in response to the crisis so its current financial position is strong for the remainder of 2021 and into 2022.

Having carried out a detailed review of the Charity's resources and the current economic challenges facing both the Charity and its members, together with the review of Going Concern discussed above, the Trustees are satisfied that the Charity has sufficient cash flows to meet its liabilities as they fall due for at least one year from the date of approval of the financial statements.

Independent Auditors

The auditors, Moore Kingston Smith, are deemed to have been appointed in accordance with section 485 of the Companies Act 2006 by virtue of an elective resolution passed by the members.

Approved by the Executive Committee on 4 October 2021 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'H. Rogers', is written over a horizontal dotted line.

Helen Rogers

Chair of Trustees

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LAW CENTRES FEDERATION

Opinion

We have audited the financial statements of Law Centres Federation ('the charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 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 Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable 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 trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 23, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit.

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However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- we obtained an understanding of the legal and regulatory requirements applicable to the charitable company through the use of permanent audit file information, updated this year for any changes that have been identified by management or by our own investigations and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council;
- we obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance and through reviews of relevant accounting and management records;
- we assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, based on our work as outlined above;
- we enquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations, using associated documentary evidence to better understand items of interest;
- based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. As well as specific audit testing, this included approaching accounting records with an inquisitive and sceptical mindset such that we examined items that were felt to be of interest or of higher risk in this area, and obtaining additional corroborative evidence as required.

To address the risk of fraud through management override of controls, we carried out the following work:

- procedures were undertaken to identify any unusual or unexpected matters, and the rationale behind any such matters was examined;
- journal entries were reviewed to identify unusual transactions;
- judgements and assumptions made in determining the accounting estimates set out in the accounting policies were reviewed.

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees;
- conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we

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For the year ended 31 March 2021

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 charitable 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.

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

Use of our report

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

Moore Kingston Smith LLP.

James Saunders FCCA DChA (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

15 October 2021

Devonshire House
60 Goswell Road
London
EC1M 7AD

Law Centres Federation

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2021

	Note	Restricted £	Unrestricted £	2021 Total £	2020 Total £
Income and Endowments					
Donations	2a	-	288,277	288,277	111,335
Ministry of Justice Grant	2b	3,000,000	-	3,000,000	-
Charitable activities	2c	1,115,441	132,696	1,248,137	1,398,073
Investments		37	68	105	49
Other	2d	28,089	6,152	34,241	23,472
Total		4,143,567	427,193	4,570,760	1,532,929
Expenditure on:					
Raising funds		-	29,480	29,480	27,211
Ministry of Justice Grant	3b	3,000,037	-	3,000,037	-
Charitable activities	3a	1,139,011	256,462	1,395,473	1,652,290
Total		4,139,048	285,942	4,424,990	1,679,501
Net income/(expenditure)		4,519	141,251	145,770	(146,572)
Transfers between funds	11	23,475	(23,475)	-	-
Net movement in funds	11	27,994	117,776	145,770	(146,572)
Reconciliation of funds:					
Total funds brought forward	11	272,696	188,525	461,221	607,793
Total funds carried forward		300,690	306,301	606,991	461,221

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above.

The notes on pages 32 to 46 form part of these financial statements.

Law Centres Federation

Balance sheet

As at 31 March 2021

	Note	£	2021 £	2020 £
Fixed Assets				
Tangible Fixed Assets	10	<u>2,948</u>	2,948	<u>4,129</u>
				4,129
Current assets				
Debtors	7	164,415		548,974
Cash at bank and in hand		<u>566,015</u>		<u>251,517</u>
		730,430		800,491
Creditors: amounts falling due within one year	8	<u>(126,387)</u>		<u>(343,399)</u>
Net current assets			604,043	457,092
Net Assets			606,991	461,221
Funds	11			
Restricted funds				
In surplus			300,690	272,696
Unrestricted funds:				
General fund			306,301	188,525
of which designated			<u>145,000</u>	<u>62,712</u>
Total funds			606,991	461,221

These financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved and authorised for distribution by the Executive Committee on 04 October 2021 and signed on its behalf by



Helen Rogers
Chair



Sean Canning
Treasurer

The notes on pages 32 to 46 form part of these financial statements.

Company no. 2433492

Law Centres Federation

Cash Flow Statement

As at 31 March 2021

	Note	2021	2020
		£	£
Cash flows from operating activities:			
Net cash provided by/(used in) operating activities	16	318,964	(276,666)
Cash flows from investing activities:			
Interest income		105	49
Purchase of property, plant and equipment		(4,571)	(2,716)
Net cash provided by/(used in) investing activities		(4,466)	(2,667)
Change in cash and cash equivalents in the reporting period		314,498	(279,333)
Cash and cash equivalents at the beginning of the reporting period		251,517	530,850
Cash and cash equivalents at the end of the reporting period		566,015	251,517

Analysis of cash and cash equivalents

	2021	2020
	£	£
Cash in hand	566,015	251,517
Total cash and cash equivalents	566,015	251,517

Analysis of changes in net debt	1 April	Cash	30 March
	2020	flows	2021
	£	£	£
Cash	251,517	314,498	566,015
Loans falling due within one year	-	-	-
Loans falling due after more than one year	-	-	-
Total	251,517	314,498	566,015

Law Centres Federation

Notes to the financial statements

For the year ended 31 March 2021

1.1) Accounting policies

Basis of Preparation

- a) The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), published on 16 July 2014. The Charitable Company is a public benefit entity for the purposes of FRS 102 and therefore the charity also prepared its financial statements in accordance with the 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 (The FRS 102 Charities SORP), the Companies Act 2006 and the Charities Act 2011.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

- b) Voluntary income is received by way of donations and gifts and is included in full in the statement of financial activities when there is entitlement, it is measurable and receipt is probable. Intangible income is recognised as a gift in kind where the provider of the service has incurred a financial cost and is valued at the value to the charity. Income is deferred when it relates to a specific later period, or there are conditions yet to be fulfilled for entitlement.
- c) Subscription income from Law Centre members is recognised in the year in which it relates.
- d) Gifts in Kind reflect the costs of rooms, catering and staff support from Law Firms and other suppliers to promote seminars, training and advice sessions conducted by Law Centres Federation as well as pro bono legal advice provided to LCF. Gifts in Kind are either valued by the suppliers undertaking the work or, where this is not immediately obtainable, by taking a reasonable estimate of the length of time involved in doing the work multiplied by the Standard London pro-bono rate.
- e) Grants are recognised in full in the statement of financial activities in the year in which they are receivable.
- f) Resources expended are recognised in the period in which they are incurred. Resources expended include irrecoverable VAT.

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

Direct service provision	91.7%
Cost of generating voluntary income	8.3%

Governance costs, which are included within support costs, include the management of the charity's assets, organisational management and compliance with constitutional and statutory requirements.

- g) The costs of generating voluntary income relate to the costs incurred by the charity in raising funds for the charitable work.
- h) Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value on a straight line basis over its expected useful life. The useful lives are as follows:

Computer equipment	4 years
Office equipment	4 years

Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. During the period of their depreciation, assets are reviewed for impairment if circumstances indicated their carrying value may exceed their net realisable value and value in use.

- i) Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.
- j) Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity.
- k) Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the statement of financial activities in the year in which they fall due.
- l) The charity operates a defined contribution auto-enrolment pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pensions costs represent contributions payable under the scheme for the payment of those contributions calculated at 8% of gross pay (7% employer contribution; 1% employee contribution).

1.2) Going concern basis

The Executive Committee at its meeting on 5 July 2021 considered each of the 15 questions and guidance provided by the Charity Commission in relation to 'going concern'. The EC added two additional considerations - LCN's ability to sustain and grow its membership and its cash position. It agreed that the Finance Sub-Committee would monitor risk at each of its meetings alongside 'going concern'. The EC agreed that LCN is a going for the foreseeable future. The charitable company therefore continues to adopt the going concern basis in preparing its financial statements.

1.3) Accounting estimates and judgements

In the view of the trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements, nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

1.4) Staff Policies

The costs of short-term employee benefits are recognised as a liability and an expense.
The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.
Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment or to provide termination benefits.

1.5) Financial Instruments

Basic Financial Instruments

The charity only holds basic financial instruments as defined by FRS 102.

a) Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand and short term deposits with a maturity date of three months or less.

b) Debtors and creditors

Debtors and creditors receivable or payable within one year of the reporting date are carried initially at their transaction price and subsequently at the recoverable amount. Debtors and creditors that are receivable or payable in more than one year are carried at their present value of the expected future receipts or payment discounted at a market rate of interest.

Law Centres Federation

Notes to the financial statements

For the year ended 31 March 2021

2a. Donations

	Restricted £	Unrestricted £	2021 Total £	2020 Total £
Subscriptions from Law Centre members	-	82,000	82,000	74,360
Donations	-	206,277	206,277	36,975
	-	288,277	288,277	111,335

2b. Extraordinary Grant

	Restricted £	Unrestricted £	2021 Total £	2020 Total £
Ministry of Justice	3,000,000	-	3,000,000	-
	3,000,000	-	3,000,000	-

2c. Charitable Activities

	Restricted £	Unrestricted £	2021 Total £	2020 Total £
AB Charitable Trust	30,000	50,000	80,000	50,000
Access to Justice	-	-	-	15,000
Allen & Overy Foundation	-	25,000	25,000	25,000
Bell Foundation	10,000	-	10,000	10,000
Esmee Fairbairn Foundation	71,500	-	71,500	47,667
European Union Latin American Project	37,779	-	37,779	723,854
Freshfields	-	-	-	20,000
Home Office	365,919	-	365,919	-
IT - Digital Transformation (TNLCF)	149,750	-	149,750	70,500
IT National Project (TLEF)	-	-	-	257,210
John Ellerman Foundation	-	-	-	30,000
National Lottery - Covid Emergency	205,000	-	205,000	-
Public Law Project	30,000	-	30,000	-
Sustainability (TLEF)	66,667	-	66,667	50,000
PRE Brexit (Trust for London)	-	-	-	39,250
Three Guineas	100,000	-	100,000	-
TLEF - Covid Emergency	20,000	-	20,000	-
Trust for London Post Brexit	28,000	-	28,000	-
Training Fee /Services to LCs	-	35,956	35,956	2,865
Gifts in Kind	826	4,236	5,062	11,034
Online legal resources	-	-	-	33,301
Annual conference	-	17,504	17,504	12,392
Total	1,115,441	132,696	1,248,137	1,398,073

2d. Other income

	Restricted £	Unrestricted £	2021 Total £	2020 Total £
Sundry income	3,064	6,152	9,216	2,022
IT Licensing	25,025	-	25,025	21,450
Total	28,089	6,152	34,241	23,472

Law Centres Federation

Notes to the financial statements

For the year ended 31 March 2021

3. Total expenditure

		Raising Funds	Charitable Activities	Support Cost	2021	2020
		£	£	£	£	£
Staff costs	5	24,911	412,071	48,093	485,075	309,811
Staff Travel, Training, Recruitment & Meetings		-	7,505	-	7,505	11,339
Governance costs	3c	-	14,084	-	14,084	17,927
Premises costs		-	12,302	-	12,302	16,901
Office: Office costs, ICT, Insurance & Communications		-	18,727	2,605	21,332	14,396
Legal and Professional Fees		-	-	4,182	4,182	53,596
Services to Law Centres		-	80,289	-	80,289	71,480
Grants & Payments to Law Centres	3a	-	454,703	-	454,703	1,078,401
Ministry of Justice Grant & Payments	3b	-	3,000,037	-	3,000,037	-
Annual Conference & Events		-	29,962	-	29,962	15,138
Publication design & print		-	8,771	-	8,771	672
Subscriptions & Journals		-	3,503	-	3,503	3,320
Training and Course Costs		-	3,389	-	3,389	10,628
Website / Digital Development		-	12,057	-	12,057	26,758
Bad debts expense (Note 3c)		-	720	-	720	15,182
Gifts in kind		-	5,062	-	5,062	11,035
Other (Travel & Project Specific costs)		-	282,017	-	282,017	22,918
Total expenditure		24,911	4,345,199	54,880	4,424,990	1,679,501
Support Costs		4,569	50,311	(54,880)	-	-
Total expenditure		29,480	4,395,510	-	4,424,990	1,679,501

Of the total expenditure £4,424,990 analysed above (2020: £1,679,502), amounts totalling £4,139,048 were attributable to restricted funds (2020: £1,491,056).

3a. Analysis of Grant Payments to Law Centres

	2021	2020
	£	£
Crisis Hub	21,000	-
EULAMP	38,585	70,959
EUSS	324,318	648,845
Guardian Appeal	2,000	300,000
Law firm donations	25,000	-
North Wales steering Group	5,000	-
TNLF Covid	3,800	-
SocFin	-	3,900
TFL-Brexit	-	54,696
TFL-PostBrexit	6,000	-
Three Guineas	29,000	-
	454,703	1,078,400

3b. Analysis of Ministry of Justice Grant Payments to Law Centres

Ministry of Justice grant income of £3m was received during the year. All grants were paid to institutions. £2.94million was distributed as grant payments to Law Centres. £60k was retained by LCN for management costs (Note 2b and 11e).

<u>Organisation</u>	2021 £	2020 £
Bradford Law Centre	2,700	-
Bristol Law Centre	153,500	-
Cambridge House Law Centre	3,400	-
Camden Community Law Centre	75,000	-
Central England Law Centre	15,000	-
Cumbria Law Centre	80,000	-
Derbyshire Law Centre	111,800	-
Ealing Law Centre	4,000	-
Equality & Employment Law Centre	80,000	-
Gloucester Law Centre	93,700	-
Greater Manchester Law Centre	140,000	-
Hackney Law Centre	140,000	-
Hammersmith & Fulham Law Centre	13,800	-
Haringey Law Centre	32,500	-
Harrow Law Centre	155,000	-
Hillingdon Law Centre	64,300	-
Isle of Wight LC	61,900	-
Islington Law Centre	61,000	-
Kirklees Law Centre	10,000	-
Luton Law Centre	75,000	-
Merseyside Law Centre	120,000	-
Newcastle Law Centre	85,000	-
North Kensington Law Centre	85,000	-
Nottingham Law Centre	164,500	-
Paddington Law Centre	72,000	-
Plumstead Community Law Centre	32,500	-
Plumstead Community Law Centre	4,100	-
Public Interest Law Centre	50,000	-
South West London Law Centres	274,000	-
Southwark Law Centre	201,000	-
Speakeasy Law Centre	92,000	-
Suffolk Law Centre	88,000	-
The Derby Law Centre	60,000	-
Tower Hamlets Law Centre	100,000	-
Vauxhall Community Law Centre	60,000	-
Wiltshire Law Centre	79,300	-
	2,940,000	-
LCN Management and Support fees	60,037	-
	3,000,037	-

3c. Analysis of governance costs

	2021 £	2020 £
Annual Report	1,950	3,381
Audit	11,330	12,315
EC travel (reimbursed)	-	1,946
Governance meetings	804	285
Total governance costs	14,084	17,927

3d. Analysis of bad debt expense

	2021 £	2020 £
Debtor w/offs	720	14,420
Bad debt allowance adjustment	-	762
Total bad debt expense	720	15,182

3e. Total expenditure (Comparison 2020)

	Raising Funds	Charitable Activities	Support Cost	2020	2019
	£	£	£	£	£
Staff costs (note 5)	22,381	286,025	1,405	309,811	281,769
Staff Travel, Training, Recruitment & Meetings	819	6,744	3,776	11,339	9,056
Governance costs (note 3b)	-	-	17,927	17,927	13,442
Audit and other fees	-	-	-	-	-
Premises costs	-	16,195	706	16,901	16,680
Office: Office costs, ICT, Insurance & Communica	-	14,396	-	14,396	13,618
Legal and Professional Fees	-	46,289	7,307	53,596	151,927
Services to Law Centres	-	71,480	-	71,480	146,850
Grants & Payments to Law Centres	-	1,078,401	-	1,078,401	62,831
Annual Conference & Events	-	15,138	-	15,138	15,812
Publication design & print	-	672	-	672	5,243
Subscriptions & Journals	-	640	2,680	3,320	2,858
Training and Course Costs	-	10,628	-	10,628	11,761
Website / Digital Development	-	26,149	611	26,758	8,825
Bad debts expense (Note 3c)	-	3,780	11,402	15,182	43,933
Gifts in kind	-	2,526	8,508	11,034	17,760
Other (Travel & Project Specific costs)	-	21,714	1,204	22,917	35,566
	-	-	-	-	-
Total expenditure	23,200	1,600,777	55,526	1,679,501	837,931
Support Costs	4,011	51,514	(55,526)		-
Total expenditure	27,211	1,652,291		1,679,501	837,931

	2020	2019
	£	£
Annual Report	3,381	1,045
Audit	12,315	10,080
EC travel (reimbursed)	1,946	1,962
Governance meetings	285	355
Total governance costs	17,927	13,442

	2020	2019
	£	£
Exchange losses		22,384
Debtor w/offs	14,420	10668
Bad debt allowance adjustment	762	10,880
Total bad debt expense	15,182	43,933

Law Centres Federation

Notes to the financial statements

For the year ended 31 March 2021

4. Net income/(expenditure) for the year

This is stated after charging:	2021	2020
	£	£
Executive Committee's reimbursed expenses	-	1,946
Auditors' remuneration (excluding VAT):		
▪ Audit	10,210	9,495
Operating lease rentals:		
▪ property	8,480	8,480
	8,480	8,480

No Executive Committee expenses were incurred in 2020 - 2021 due to Covid (£1,946 in 2019/20). None of the 23 members (18 members to Nov 2020; 17 members from Nov 20) of the committee serving during 2020-21 were remunerated.

5. Staff costs and numbers

Staff costs were as follows:	2021	2020
	£	£
Salaries and wages	417,335	269,015
Social security costs	38,642	23,879
Pension contributions	29,098	16,918
	485,075	309,812

1 employee earned more than £60,000 during the year. (2020: none)

The average monthly number of employees (full-time equivalent) during the year is as follows:

	Head count		Full Time Equivalent	
	2021	2020	2021	2020
	No.	No.	No.	No.
Cost of generating income	4	5	0.6	0.4
Support costs	7	7	1.2	0.9
Direct Service provision	13	13	9.9	5.8
Average Employee Numbers	12	8	12	7

Staff have been allocated to areas of work where they spend most time.

Law Centres Federation

Notes to the financial statements

For the year ended 31 March 2021

Key Management Personnel

The Key Management of the Charity is considered to be the Director (FT), Finance Officer (0.6 FTE) (& Trustees). The total employee benefits of the key management personnel were £102,712 (2020: £92,933), which includes total employer NIC Contributions of £9,527 (net of £4,000 employment Allowance) and total employer pension contributions of £6,062.

Trustees are not remunerated but are reimbursed for travel and subsistence expenses incurred through attendance of governance meetings.

6. Taxation

All income is charitable and applied for charitable purposes only and thus is exempt from corporation tax.

7. Debtors

	2021 £	2020 £
Grants receivable	40,000	446,936
Prepayments	33,914	25,382
Conference fees	4,700	1,500
IT Licensing	14,859	12,921
Membership & Lexis Nexis	23,911	24,097
Allowance for doubtful debts	-	(18,578)
Other debtors	47,031	56,716
	<u>164,415</u>	<u>548,974</u>

8. Creditors: amounts due within 1 year

	2021 £	2020 £
Trade creditors	69,344	129,487
Taxation and social security	12,316	11,266
Accruals	10,525	158,895
Deferred Income	-	-
Pension contributions	3,175	3,175
Amount held on behalf of Law Centres	29,367	39,119
Other creditors	1,660	1,457
	<u>126,387</u>	<u>343,399</u>

9. Deferred Income

	2021 £	2020 £
Deferred Income b/f	-	12,000
Released in year	-	12,000
Deferred to next year	-	-
	<u>-</u>	<u>-</u>
Deferred Income c/f	-	-

Deferred income in 19/20 relates to a) an annual Freshfield's grant for 19/20 received in 18/19, and b) a payment on account for Law Centre membership in 19/20.

Law Centres Federation

Notes to the financial statements

For the year ended 31 March 2021

10. Fixed assets

	Computer equipment £	2021 Total £
Cost		
As at 01 April 2020	10,499	10,499
Additions	<u>4,571</u>	<u>4,571</u>
As at 31 March 2021	<u>15,070</u>	<u>15,070</u>
Depreciation		-
As at 01 April 2020	6,370	6,370
Charge for the year	<u>5,752</u>	<u>5,752</u>
As at 31 March 2021	<u>12,122</u>	<u>12,122</u>
Net book value		
As at 31 March 2020	<u>4,129</u>	<u>4,129</u>
As at 31 March 2021	<u>2,948</u>	<u>2,948</u>

Law Centres Federation

Notes to the financial statements

For the year ended 31 March 2021

11.a Movements in funds

		At the start of the year £	Incoming resources £	Outgoing resources £	Transfers £	At the end of the year 2021 £
Restricted funds:						
Development and support of Law Centres						
AB Charitable Trust		-	30,000	28,603	-	1,397
Access to Justice		8,431	-	8,431	-	-
Bell Foundation		2,000	10,680	9,363	-	3,317
Covid Support (TNLCF)	11d	-	205,000	105,243	-	99,757
Covid Support (TLEF)	11d	-	20,000	16,641	-	3,359
Covid Support (Ministry of Justice) **	11d	-	3,000,037	3,000,037	-	-
Esmee Fairbairn Foundation		26,893	71,500	68,653	-	29,739
European Union Latin American Project	11b	(16,282)	40,843	48,036	23,475	-
Home Office *		-	366,065	366,065	-	-
IT - Digital Transformation (TNLCF)		43,264	149,750	130,317	-	62,697
IT - Digital Upgrade(TLEF)		172,055	25,025	197,080	-	-
PRE Brexit (Trust for London)		3,065	-	3,065	-	-
Public Law Project		-	30,000	21,000	-	9,000
Scoping Legal Support and Social Care with Social Finance (TLEF)		5,100	-	-	-	5,100
Sustainability (TLEF)		21,313	66,667	41,461	-	46,519
Three Guineas Trust		-	100,000	68,484	-	31,516
Trust for London Developing New Models		1,858	-	-	-	1,858
Trust for London Post Brexit		-	28,000	21,568	-	6,432
North Wales steering group		5,000	-	5,000	-	-
Total restricted funds		272,696	4,143,567	4,139,048	23,475	300,690
Unrestricted funds						
		188,525	427,193	285,942	(23,475)	306,301
General fund ***		125,813	235,958	200,470		161,300
of which General Funds		62,712	191,235	108,946	-	145,001
of which designated	11c					
Total funds		461,221	4,570,760	4,424,990	-	606,991

* Resources include allocated Gifts in Kind

** Resources include Bank Interest

Law Centres Federation

Notes to the financial statements

For the year ended 31 March 2021

11b. Restricted Funds Transfer

Includes:

£23,475 was transferred from the EULAMP fund to general funds. This represents 20% match funding required by the grant, as well as exchange losses written off from transfers between the UK and the European Union. The project officially ended in 2020 but the final 20% payment from the European Commission was not received until 2021.

11c. Designated Unrestricted Funds

The designated funds total includes Non-Covid and Covid Emergency funding. Non-covid emergency funding includes £18,755 from the Ellerman Foundation to support learning and transformation in Law Centres. Covid Emergency funding includes £12,900 donated by Law Firms, London Legal Support Trust and the Law Society, as well as £113,345 of general donations to the Justice Fund. We expect these funds to be spent in the next financial year.

11d. Restricted Covid Emergency Support

Includes grant funding from the Ministry of Justice (£3million, plus £37 bank interest), The National Lottery Community Foundation (£205,000) and The Legal Education Foundation (£20,000). The Ministry of Justice grant was expended in full within the year. We expect the National Lottery Community Foundation and Legal Education Grants to be spent in the next financial year.

11.e COMPARATIVE INFORMATION: Movements in funds 2020

	At the start of the year	Incoming resources	Outgoing resources	Transfers	At the end of the year 2020
	£	£	£	£	£
Restricted funds:					
Development and support of Law Centres					
Access to Justice	-	15,000	6,569	-	8,431
Bell Foundation	-	10,000	8,000	-	2,000
Esmee Fairbairn Foundation - Policy Development	27,822	47,667	48,596	-	26,893
European Union Latin American Project - European Commission	* 94,129	414	110,826	-	(16,282)
EUSS (Home Office)	-	723,854	723,854	-	-
Guardian Christmas Appeal 2018	** 303,299	-	300,000	(3,299)	-
IT Digital Transformation (National Lottery Community Fund)	* -	71,129	27,865	-	43,264
IT - SMS (Tides Foundation)	44,926	-	44,926	-	-
IT National Upgrade (TLEF)	(6,879)	278,660	99,726	-	172,055
Scoping Legal Support and Social Care with Social Finance (TLEF)	11,497	-	6,397	-	5,100
Strategic Review of LCN (TLEF)	12,300	-	12,300	-	-
Sustainability (TLEF)	-	50,000	28,687	-	21,313
PRE Brexit - Trust for London	36,500	39,250	72,685	-	3,065
Developing New Models - Trust for London	2,483	-	625	-	1,858
North Wales steering group	5,000	-	-	-	5,000
Total restricted funds	531,077	1,235,974	1,491,056	(3,299)	272,696
Unrestricted funds					
General fund **	76,716	296,955	188,445	3,299	188,525
of which designated	51,219	50,000	38,507	-	62,712
Total funds	607,793	1,532,929	1,679,501	-	461,221

* Resources include allocated Gifts in Kind

Law Centres Federation

Notes to the financial statements

For the year ended 31 March 2021

11. Movements in funds (continued)

Purposes of restricted funds

AB Charitable Trust - 5 year Core fund grant to LCN to increase capacity and extend the impact of LCN's work based on recommendations from the Strategic Review of LCN conducted in 2018.

Access to Justice Foundation - Grant awarded to LCN to work with Law Centres to assist them to become more sustainable and use the Law as a tool for change.

Allen & Overy Foundation - 3 year Core fund grant to LCN to support service development work with Law Centres, with particular focus on exploring establishment and extension of services for destitute women

Bell Foundation - Project lead by Harrow Law Centre to support victims of Crime, particularly those who speak languages other than English. LCN's role is to extend the learning from Harrow's project to other Law Centres with view to establish model in other parts of the UK. Year 2 of 3 year project.

Esmée Fairbairn Foundation - 3 years funding for core costs to maintain capacity and delivery on LCN's policy work was granted in late 2018.

European Union Latin American Project - funded by the EU this project works with 4 partner organisations to empower EU-Latin Americans to exercise their mobility rights and to fully participate in U.K. society. Project concluded in 2020.

EUSS - 12 month grant from the Home Office to manage a national project to assist vulnerable EU citizens to apply for Settled Status. LCN manages the project, Law Centres provide the service.

John Ellerman Foundation - 3 years core funds granted to support the development of Law Centres. The focus of this work is on Learning and transformation.

Legal Education Foundation - National IT infrastructure project that will upgrade Law Centres ICT, titled Law Centres 2020 Digital Vision. The project is being implemented over 5 phases and will upgrade computers, migrate all software and data to cloud based services. The focus in 2020 was mobile equipment and ensuring all Law Centres were able to provide services remotely.

Legal Education Foundation in partnership with Social Finance: Pilot the inclusion of legal assistance in Social Finance's Health and Social Care platforms to identify how such a service could be implemented.

Legal Education Foundation: Strategic Review - a project to Commission Social Finance to review the future sustainability of LCN and to make recommendations for the next 3 and 10 years. This work was completed in March 2019.

Legal Education Foundation: Sustainability - 3 year grant awarded to LCN to assist it to implement recommendations made following its strategic review aimed at helping LCN become more sustainable.

Public Law Project - In partnership with CRISIS, a 2 year exploratory project to test the provision of legal assistance, particularly in areas of welfare rights and immigration, to better address situation of people facing homelessness. 3 Law Centres are partners in this project.

The National Lottery Community Fund - Realising Law Centres 2020 Digital Vision - 3 year grant awarded to LCN to work together with Law Centres to explore and implement digital technology to assist them to achieve their mission.

The National Lottery Community Fund - Covid Emergency Fund awarded to LCN to do an intensive piece of work with Law Centres to understand the impact of the adaptations made at speed during the first 6 months of the Covid crisis, to learn what worked well, what adaptations should continue and how to work better within communities in response to crisis situations.

Three Guineas Trust - one off emergency grant to be distributed to Law Centres to assist their response to Covid crisis.

Law Centres Federation

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Trust for London: Developing New Models - stage 2 of this project aims to better understand client fee charging business models across Law Centres and other advice agencies in London. Lessons learnt will be used to improve business models and support agencies to make the fee charging services profitable.

Trust for London: PRE Brexit - provides advice to EEA citizens and their families living in London on protection of their residency rights in the lead up to Brexit and to build capacity through specialist awareness raising sessions for those working with EEA citizens.

Trust for London: POST Brexit - analyse data collected over 5 years of LCN work with EU nationals and produce report and other learning from this to shape legal assistance for vulnerable EU nationals living in the UK includes 2 partner Law Centres.

North Wales steering group - this fund was money held for North Wales steering group given by the Law Society Trust in the year ending 31 March 2002. The funds were held to support the development of a Law Centre in North Wales, which is the purpose of the original grant. A small committee was formed to advance this project. LCN released the funds to the project group in the previous financial year once incurred expenses in relation to the establishment of the Law Centre had been evidenced. The payment was omitted from the previous years' accounts therefore the movement in funds this this year is a correction on the previous year's accounts.

12a. Net Assets by Fund

	Unrestricted £	Restricted £	2021 Total £
Fixed Assets	2,948	-	2,948
Net current assets	303,353	300,690	604,043
	<u>306,301</u>	<u>300,690</u>	<u>606,991</u>

12b. Net Assets by Fund (2020 Comparison)

	Unrestricted £	Restricted £	2020 Total £
Fixed Assets	4,129	-	4,129
Net current assets	184,396	272,696	457,092
	<u>188,525</u>	<u>272,696</u>	<u>461,221</u>

13. Operating lease commitments

The charity had annual commitments at the year end under operating leases expiring as follows:

	Property	
	2021 £	2020 £
Within 1 year	4,240	4,240
1 - 2 years	-	-
2 - 5 years	-	-
	<u>4,240</u>	<u>4,240</u>

14. Related party transactions

Some members of LCN's board of trustees sit on the boards of community Law Centres that receive funds from LCN. When funding decisions are taken in respect of these community Law Centres, the relevant representative is excluded from the discussions taking place.

15 Financial Instruments

The financial statements include the following in respect of items held at amortised cost at 31 March:

	2021 £	2020 £
Financial assets measured at amortised cost	730,430	775,109
Financial liabilities measured at amortised cost	81,530	289,939

Law Centres Federation - (limited by guarantee)

Notes to the financial statements

For the year ended 31 March 2021

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

	2021 £	2020 £
Net income/ (expenditure) (as per the statement of financial activities)	145,770	(146,572)
Adjustments for:		
Depreciation charges	5,752	2,228
Investment income	(105)	(49)
(Increase)/decrease in debtors	384,559	(286,075)
Increase/(decrease) in creditors	(217,012)	153,802
Net cash provided by/(used in) operating activities	318,964	(276,666)

Law Centres Federation

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For the year ended 31 March 2021

17 COMPARATIVE INFORMATION: Statement of financial activities (incorporating an income and expenditure account) for year ended 31 March 2020

	Restricted £	Unrestricted £	2020 Total £	2019 Total £
Income and Endowments				
Donations	-	111,335	111,335	423,236
Charitable activities	1,214,524	183,549	1,398,073	697,050
Investments	-	49	49	-
Other	<u>21,450</u>	<u>2,022</u>	<u>23,472</u>	<u>57,115</u>
Total	<u>1,235,974</u>	<u>296,955</u>	<u>1,532,929</u>	<u>1,177,401</u>
Expenditure on:				
Raising funds	-	27,211	<u>27,211</u>	21,985
Charitable activities	<u>1,491,056</u>	<u>161,234</u>	<u>1,652,290</u>	<u>815,946</u>
Total	<u>1,491,056</u>	<u>188,445</u>	<u>1,679,501</u>	<u>837,931</u>
Net income/(expenditure)	(255,082)	108,510	(146,572)	339,470
Transfers between funds	<u>(3,299)</u>	<u>3,299</u>	<u>-</u>	<u>-</u>
Net movement in funds	<u>(258,381)</u>	<u>111,809</u>	<u>(146,572)</u>	<u>339,470</u>
Reconciliation of funds:				
Total funds brought forward	<u>531,077</u>	<u>76,716</u>	<u>607,793</u>	<u>268,323</u>
Total funds carried forward	<u>272,696</u>	<u>188,525</u>	<u>461,221</u>	<u>607,793</u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above.