

Company no. 2433492
Charity no. 1088588

Law Centres Federation
Report and Financial Statements
31 March 2022

Law Centres Federation
Reference and Administrative Details for the year ended 31 March 2022

Company number 2433492

Charity number 1088588

Registered office and operational address

1 Lady Hale Gate
Gray's Inn
London
WC1X 8BS

Executive Officers

The following served on the executive Committee throughout the year:

From 1 April 2021 to 12 November 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 from 7 December 2020)
Claudia Estephane (co-opted from 7 December 2020)
Vicky Fewkes
Manuela Grayson
Sue James (co-opted from 12 April 2021)
Ngaryan Higham (Li)
Patrick Marples
Pamela Robotham (co-opted from 7 December 2020)
David Slater
Linda Summers

From 12 November 2021 to 31 March 2022:

Chair: Helen Rogers
Vice Chair: Patrick Marples
Vice Chair: Ursula O'Hare
Treasurer: Sean Canning
Secretary: Victoria Fewkes

Committee Members: Helen Bagley
Sophie Brown (appointed 11 April 2022)
Sara Chandler (co-opted on 13 December 2021)
Claudia Estephane (co-opted on 13 December 2021)
Manuela Grayson
Ngaryan Higham (Li)
Peter Kandler (co-opted on 13 December 2021)
Barbara Likulunga (until 13 December 2021)
Sue James
Pamela Robotham (co-opted on 13 December 2021)
Daniel Scrase (co-opted 11 July 2022)
Claire Stern
Linda Summers

On 31st March 2022 there were 4 elected vacancies on the committee.

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

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 2022 was 42.

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

Law Centres Federation

Report of the Executive Committee for the year ended 31 March 2022

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 2022. 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.

Charity Governance Code

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.

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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 £769.98 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:

- 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 on a quarterly basis 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: ability to maintain sufficient funding particularly given the ongoing impact of inflation, cost of living crisis and Covid 19; loss of key personnel; and the loss of Law Centres as a result of insufficient funds or inability to recruit staff. The Trustees also consider the potential impact of political instability and a regularly 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 LCN's salary policy and make changes as required.

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Report of the Executive Committee for the year ended 31 March 2022

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 2022 there were 42 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 2021-2022. These are reviewed and agreed each year so that LCN can achieve its vision and mission:

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.

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LCN's Strategic Goals for 2021-2022

1. Help Law Centres to thrive
2. Strengthen the network of Law Centres
3. Amplify Law Centres' 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 Post-Brexit Project 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 2021-2022 LCN considered all its activities were for the benefit of the public and were guided by our strategic plan.

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Impact 2021-2022

At the strategic planning session in February 2022, LCN staff and Executive Committee reviewed its progress alongside its review of LCN's impact. This is reported on below.

"I would never have thought LCN could do more than it did the year before, but it has (always does). LCN's reputation, the quality of its work for LCs, credibility in the sector etc is getting stronger year on year. "

2021-2022 Response to Covid-19

The impact of the Covid pandemic continued to be felt in 2021-2022. However, the surge in funds to support adaptations and new ways of working, reduced dramatically in 2021-2022.

LCN worked with Law Centres to adapt the ways of working introduced at speed in 2020. Together we reflected on what we learnt over the previous year and to identify those changes that we must keep, those to drop and to continue experimenting with new approaches.

"Thank you to all at LCN for all your ongoing support and guidance, you have brought all of us together and continued to push forward past Covid-19, sharing best practice and helping us all to keep going and keep everyone safe"

Progress against LCN's Strategic Goals for 2021-2022

Strategic Goal 1 - Help Law Centres

Community Engagement Programme

Following the success of our Working Brilliantly with Communities programme we set about cementing this focus as a key component of our core offering to Law Centres. We took the learning from our previous work and used this to redefine the requirements of the team before recruiting an experienced Community Engagement Officer in late 2021. Although National Lotteries funding had provided a step-change in capacity for a short period, we now needed to build an effective strategy to deliver sustained impact.

We began by carrying out an extensive and ongoing mapping exercise through virtual meetings and in-person visits to Law Centres. This helped us to better understand the scope and scale of community engagement work across the network and identify opportunities to deepen the relationships between Law Centres and their communities. As a result of this work we established a community of practice. The group meets virtually on a monthly basis, bringing together practitioners from across the network to share best practice, generate ideas, and convene around emerging issues.

Finally, we renewed our strategic approach to this work, identifying the problems we are trying to solve and defining our offer to Law Centres. This strategy will be delivered during 2022/23 but has already attracted funding from the John Ellerman Foundation, ensuring that we can continue to develop this area of work until at least 2025.

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Law Centres at risk

During this period we introduced a more comprehensive risk register of Law Centres. The register was updated on a regular basis with intelligence gathered from Law Centres, LCN staff, trusted consultants, funders and others. Quarterly reviews of the register informed the provision of support and distribution of resources. This allowed us to help resolve short-term issues promptly and effectively and to closely monitor those Law Centres with more complex and long-standing issues. As a result, no Law Centre experienced risk of closure during this period. The register also enabled streamlined reporting and greater awareness of risk.

Law Centre support programme

"If we weren't a Law Centre, we wouldn't be here now. I'm very resilient but the ongoing support of weekly meetings, and leadership programme have been great. I love being in this group."

We continued to deliver a varied programme of support to Law Centres including:

- **Peer support for Law Centre managers** – Weekly meetings where managers benefitted from a safe space to share issues and experiences, as well as celebrate achievements together. The introduction of smaller, confidential discussions between managers helped to develop stronger relationships and reduce isolation.
- **Communities of practice** – Development of more than 20 virtual groups spanning a wide variety of roles and issues. Varying in size, these groups allow Law Centre staff and volunteers who share similar roles or interests to connect, learn and grow together.
- **Support through Covid** – Continued advice and information to help Law Centres navigate the ongoing challenges posed by the pandemic, including changes to the law and guidance and key considerations prior to re-opening services.
- **Consultancy** – Direct support, brokered and funded by LCN, to help resolve a variety of issues related to:
 - o Project scoping and development
 - o Funding strategy and grant applications
 - o Financial planning and reporting
 - o Operational policy and procedure
 - o Governance and constitution
 - o Organisational efficiency and managing people
 - o Compliance and quality

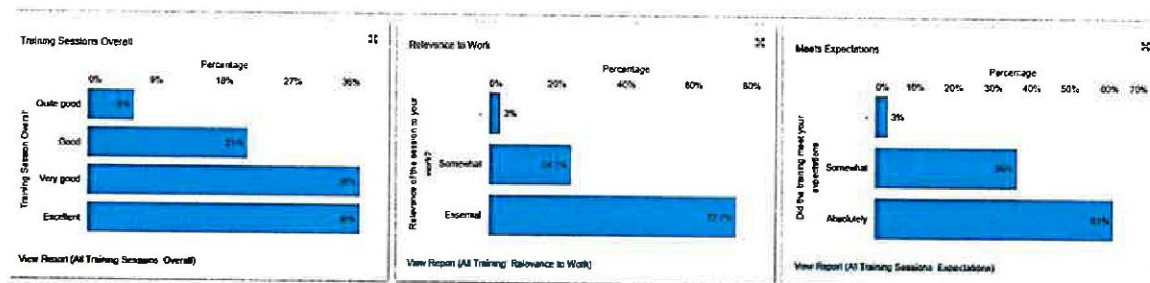
During this period we identified a potential risk in seeking consultancy from a small number of trusted experts. To mitigate this risk we began to develop an internal panel of consultants – experienced people drawn from Law Centres, able to support others with many of the issues listed above in a formal capacity. The panel will begin operating during 2022/23.

- **Coaching** – More than 60 1:1 sessions between LCN Head of Service Development and senior Law Centre staff to help resolve a variety of operational and financial issues.

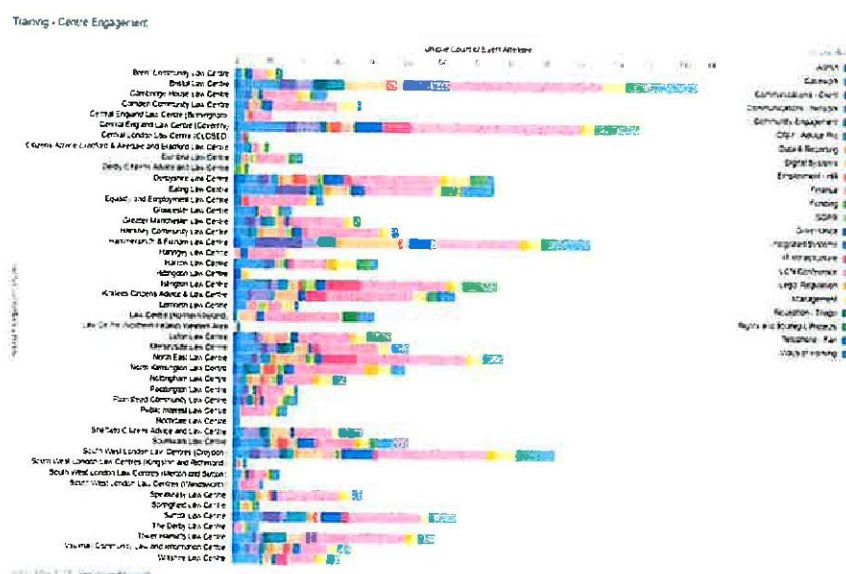
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- **Formal training** –Our programme continued to be member-led, responding to emerging issues and the changing needs of Law Centres. In addition to LCN training and events, 7 Law Centre managers and future leaders were supported to access [LAPG's Management and Leadership Programme](#).
- Feedback from Law Centres on LCN provided training continues to be very good to excellent:



Following the intensity of the Covid period, 90% of Law Centres have continued to participate in LCN events and training.
See below:



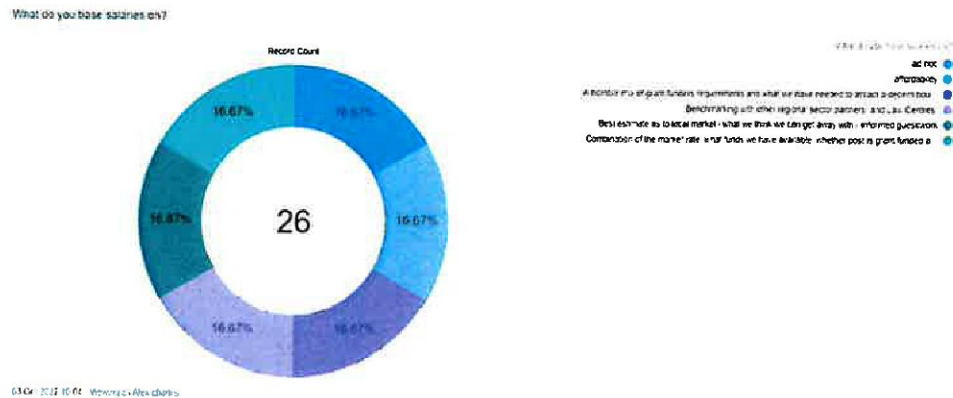
Workforce Development

Across the legal advice and legal aid sector, staff retention and recruitment are at crisis point. Law Centres have identified this as their biggest threat in coming years. LCN has undertaken initial research on the extent of the problem and potential strategies to address it. We have scoped a 4 stranded project and will commence work on it in late 2022.

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To support LCN's Workforce Development program, the Executive Committee has created a Diversity Sub Committee to encourage a focus on increasing **diversity** in all roles at Law Centres.



Law Centre in a Box

Launched in April 2021, the original box concept quickly grew to become a digital space where Law Centre staff, volunteers and trustees can learn, connect and grow together. It now includes:

- **Over 120 how-to guides** across a range of areas including governance, service design, managing people, finance, communications, and community engagement
- **Almost 100 template policies, procedures and other documents**
- **Bios and contact details** for almost 100 Law Centre and LCN staff
- **20 discussion groups** where practitioners can find support from their peers, such as our housing group where over 120 specialists share their knowledge and experience
- **Details of events, training sessions and vacancies** from across the Network and beyond
- **Details of innovative and impactful projects** from across the Network, such as Southwark Law Centre's partnership with Guys' and St Thomas' to provide legal representation to homeless hospital patients
- **Details of almost 200 grant funding opportunities**, curated for Law Centres
- **Updates from LCN** and the wider social justice sector

The Platform has been well received by our members: *"It's a fantastic resource for Law Centres, providing a broad range of advice, resources and a great info exchange"*.

New Law Centres

During the pandemic we focussed on supporting our existing Law Centres and at the same time saw a steep decline in the number of membership enquiries. However, from January 2022 we saw a marked increase in enquiries from both existing organisations and individuals. We worked with 14 groups across the year and actively supported 7 towards membership, including 3 who we expect to

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join the network during 2022/23. We were particularly pleased to see growth in rural communities including North Wales and North Yorkshire.

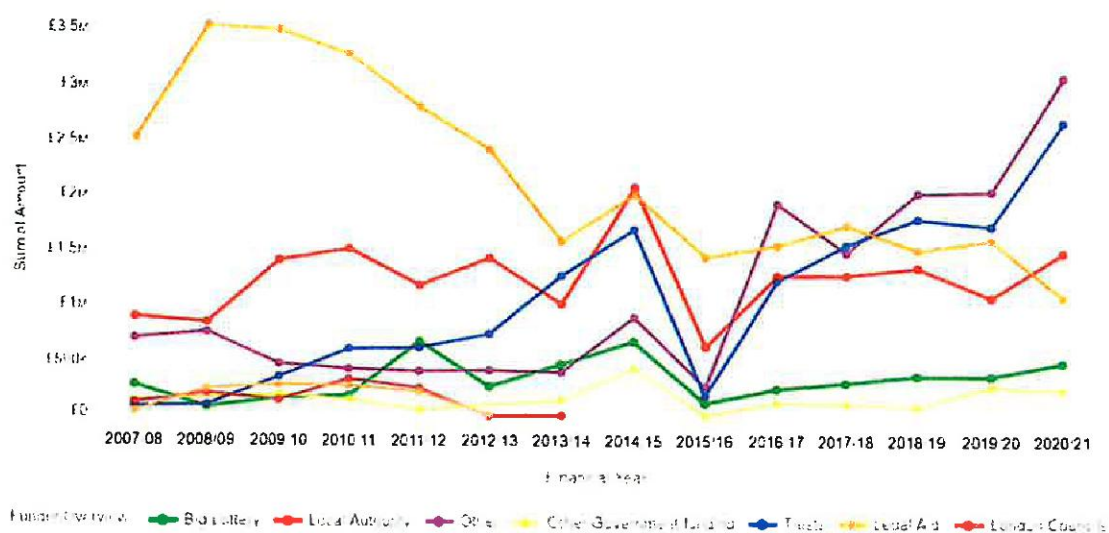
We reviewed and mapped our membership process, from initial enquiry through to membership, taking the opportunity to automate parts of the process and improve communication. This work will be completed with the redevelopment of our website in 2022/23. Our work with North Wales Law Centre Steering Group allowed us begin creating a new journey for groups who are starting from scratch. This included support to:

- Form an effective steering group
- Define a development strategy
- Secure start-up funding
- Embed best practice policy and procedure
- Recruit and support staff
- Procure and install IT equipment and infrastructure

Fundraising for Law Centres

The graph below shows the dramatic shift in Law Centres funds over the last 15 years with legal aid income at 28.6% of the 2008/2009 level. Funds from trusts and foundations have increased but this is mostly project based and short term. Consequently, each year LCN undertakes a number of activities to secure funds for Law Centres.

LC Funding by Year and Funder (ex CitA).



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One such activity is to assist individual Law Centres to make funding applications:



Another is to attract donations for Law Centres. Last year we secured £72,000 in donations to be distributed amongst Law Centres. Particular thanks to Adam Wagner for his support of the Big Give campaign and the extraordinary fundraising effort for Law Centres.

Donations for Law Centres		2021 -2022
Just Giving		£14,338.56
HMRC		£1,012.04
Other Donations		£13,000.00
Big Give		£43,652.81
		£72,003.41

In addition, LCN is working to develop the Community Justice Fund, a collaboration between a group of funders who generously support Law Centres and other specialist legal advice providers. The aim is to create a large pool of independent funding available for use as Core funds over longer periods.

Data

As the membership body for Law Centres, LCN has a vital role in Helping Law Centres; Strengthening the Law Centre Network; and Amplifying its Collective Voice. Combined with an increasing need to help Law Centres with digital technology, digital services and to collect useful data, as well as LCN's own need for better data and speedier access to current data, our data journey this year has seen progress on a number of interesting initiatives:

- **Theory of Change development:** funded by the Legal Education Foundation, LCN worked with consultants to develop a clear Theory of Change to better understand the impact of our work using data and evidence. This resulted in:
 - Revised Theory of Change with greater clarity over outcomes, activities and data points needed to evidence if we are meeting our objectives and needs of our members;

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- A better way of communication to anyone about what LCN does and how we do it;
- Data audit: a clearer overview of the data available across the whole organisation and how this evidences our Theory of Change
- Data Principles: development of guidelines for collecting and using data, and developing LCN's data strategy and data maturity
- **Data Standards and Taxonomies:**
 - **Engaging in cross-sector initiatives** on developing Data Standards for enquiries and legal provision, including presentations at the Justice and Innovation Group and Ministry of Justice / Community Justice Fund Learning Summit.
 - **Developing the data architecture** underpinning LCN's systems and tools we develop, and aligning these with Law Centres, and wider Access to Justice data standards, where possible.
- **Improving use of CMS and digital tools for collection and analysis of legal data:**
 - **Advice Pro workshops:** developed a series of themed workshops to help Law Centres make better use of Advice Pro e.g. how to streamline your audit using Advice Pro.
 - **Advice Pro Champions:** setup a Community of Practice, bringing together Advice Pro users from across the network to share, learn and help each other in their use of Advice Pro.
 - **Advice Pro Group Reporting and Analysis:** a deep dive analysis of anonymised legal data help in Advice Pro to better understand the data architecture, taxonomies being used for describing legal issues, how these are being used across the network, where are the gaps etc.) The results were written up and shared with participating Law Centres to help tell the story of data and gain buy in for future data development work.
 - **Enquiry Desk:** A tool under development to help Law Centres capture enquiry information, including turn-aways. Will lead to better data on types of enquiries and in evidencing demand and need.
- **Developing Resources:**
 - **Guides and Resources:** developing guides and templates for Law Centres to support data collection;
 - **Gathering evidence:** from Law Centres on barriers to data collection and developing data maturity;
 - **Funding:** engaging with conversations with funders and policy makers to advocate for more funding for data work.
- **GDPR:**
 - **Audit:** commissioned an independent audit of our current policies and procedures to identify improvements for compliance and embedding privacy by design principles as our work grows and develops.

Digital Transformation

LCN's Digital Programme of work continued to be a major focus throughout 2021-2022. Below are highlights of that work.

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

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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 (O365). This involves an audit of existing infrastructure, replacing or updating old or antiquated infrastructure and systems (laptops, equipment, telephone etc.), safe disposal of obsolete equipment (old computers and servers), upgraded networking equipment and capabilities, support to move emails and files into the cloud, as well as training and support to make the most of O365.

By 31 March 2022:

- In total over Phase 1 - 4 of the IT upgrade project: LCN successfully upgraded 28 Law Centres in 33 locations with approximately 1000 users;
- In Phase 4: 8 Law Centres migrated to the Cloud, including two of our largest Members and one emerging Law Centre in the process of setting up (conversations with several other Law Centres to join the Scheme are ongoing);
- Over 315 pieces of new IT equipment provided to Law Centres (including laptops, desktops, docking stations and monitors);
- Networking upgrades and managed switches installed at 8 Law Centres leading to improved network monitoring and protection of Law Centre systems, also minimising any risks to business continuity from potential time down;
- Over 215 staff, trustees and volunteer leveraging opportunities for new ways of working, including hybrid working, Teams Telephony and O365 Apps such as Bookings, Power BI and Microsoft Forms;
- Improved collaboration across Law Centres through Teams, Communities of Practice Groups and better document collaboration.
- The time saved and the improvement in efficiency as a result of better digital equipment is the equivalent of 9 full-time staff.

In addition:

- Better hardware deal negotiated with Dell (up to 20% discount off RRP) through LCN Membership Scheme, open to Law Centres both in and out of the National IT Project
- Improved IT Support offer negotiated for Law Centres;
- Independent audit of security configuration for hardware and O365 ensuring improved security across the O365 Tenant and compliance with best practice;
- Updated documentation to support compliance with GDPR;
- Improved staff satisfaction, trust and confidence in Law Centre IT system;
- Reduction in staff time dealing with IT problems leading to improved service to clients;

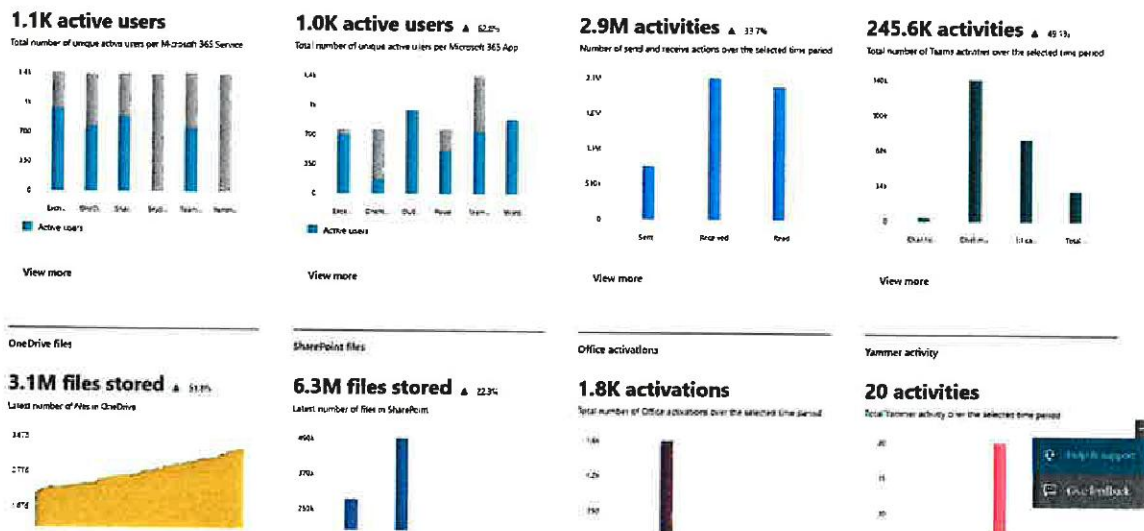
"I just wanted to say a huge THANK YOU for your support and for getting us onto the LCN IT upgrade project. We have just completed our first week post-migration and things are going really well. Thank you also for all of the laptops and equipment that we have been given as part of the upgrade. We could have never afforded to do this ourselves and the new cloud-based system is so much more reliable and faster (and not to mention neater).

Can I also just say that the IT support has been phenomenal. You will know how frustrated we were with our old IT support and they have just been a breath of fresh air. Their response time and

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helpfulness is outstanding. They have solved so many historical technological problems for us and the staff are just full of praise for them. Their service has been exceptional. Thank you for giving us such an excellent opportunity”.



Salesforce Back-office Pilot Project

As part of our Digital Transformation initiative, LCN is working with four Law Centres to implement Salesforce to manage back-office functions like grant, contact and volunteer management, as well as HR and other office management related tasks. With many Law Centres still using a combination of paper and spreadsheets, which is often held in silos across the organisation, this Pilot aims to digitise and centralise many of the Law Centres back-office processes and procedures, whilst providing better accessibility, security and management of data. Under the Power of Us Program, which provides 10 Salesforce licenses to charities for free, Law Centres are able to benefit from a powerful cloud-platform, customised specifically for their needs, for no cost.

User research and testing was undertaken with the key people at the Law Centre who manage or are involved in delivery of these functions in order to:

- Understand motivations and goals for the project, as well as priorities and timelines;
- Identify and plan for improved compliance and risk management;
- Deep dive into current processes and procedures to identify gaps, blockers and opportunities for refinement;
- Review existing documentation, policies and procedures with a view to streamlining and aligning these across Law Centres;
- Understand where automation could be used to deliver improvements such as efficiency and better data integrity;
- Document essential and non-essential functional and non-functional requirements;
- Establish a Minimum Viable Product to test with Law Centres before deployment.

Pilot Law Centres are up and running in terms of contact and grant management, and the deployment of the HR package will go live at each pilot Law Centre in July 2022. These 4 Law Centres will receive ongoing support from LCN during the implementation phase of the project, and if

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successful, the Pilot can be extended to other Law Centres and potentially expanded to cover other key back-office functionality.

Anticipated benefits include:

- Minimising risk and increasing efficiency
- Improved collaboration and reduction of duplication
- Centralised systems and more paperless working
- Improved intelligence on operations and office management
- Improved security and compliance with regulation
- Improved systems and processes for succession planning



A HR Overview Dashboard using dummy HR data entered by Law Centres during training.

Enquiry Desk

We continued to develop this digital tool to assist Law Centres to better manage enquiries received through multiple channels: telephone, email, SMS or in person (via WhatsApp in the future) using only one web browser-based light weight tool. 2 Law Centres are part of our pilot and have contributed to the development of new improved functionality: quick-reply templates, configuration at Law Centre level (automatic email response and voicemail message, enquiry and contact form, classification fields, user management), enquiry assignment, improved search and date range for statistics.

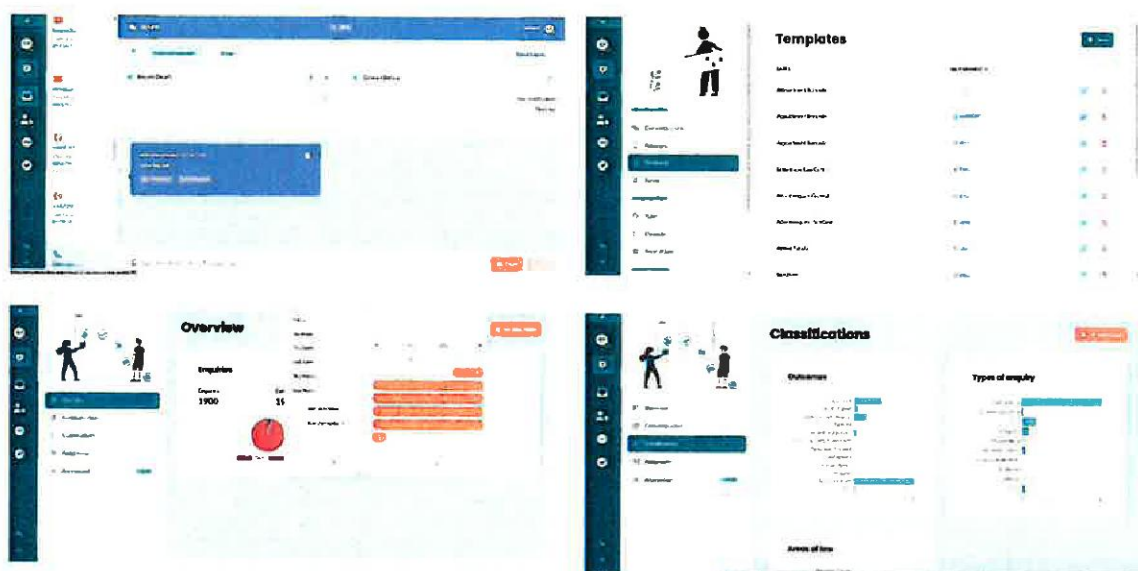
Key benefits include:

- Voice calls (incoming/outgoing/voicemails) and emails (incoming/outgoing) can be dealt with in one single tool that can be used by several staff simultaneously
- Person-centred tool that captures and keeps a history of contacts made so clients do not need to repeat themselves and staff know the status of the enquiry at any given time

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- Increased efficiency and quality of client contact, no clients fall through the net and Law Centre response is more consistent (use of reply templates)
- Passive collection of enquiries high level statistics and easy monitoring of enquiry volume and type that allows better allocation of resources by management



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Strategic Goal 2

Strengthen the Network of Law Centres

2021/2022 priorities

People who can't find help – What LCN sees

LCN has always received enquiries from people searching for assistance. However, the numbers contacting LCN is increasing both as a consequence of growing need for assistance and capacity of other agencies to assist.

Most of the enquiries will be referred to LCN from other organisations, including ACAS, Citizens Advice, Ministry of Justice, or statutory bodies. We also receive regular enquiries from people seeking help from abroad, mostly regarding entering the UK or naturalisation queries. Below is a snapshot of what LCN sees:

Enquiries to LCN 01/04/2021 – 31/03/2022

DAILY average incoming enquiries - 36

Calls: 22

Emails: 12

SMS: 2

Area of law	No. enquiries	% of total enquiries
Employment	173	16%
Immigration, Asylum, EUSS	167	15.5%
Housing	149	14%
Family	114	11%
Criminal	80	
Other	97	
Discrimination	53	
Welfare benefits	37	
Consumer / small claims	36	
Human Rights	27	
Debt	23	
Actions against police	20	
Community care	19	
Wills & Probate	18	
Mental health	14	
Public law	12	
General	8	
Neighbour dispute	8	
Personal injury	8	
Conveyancing	6	
Motoring offences	5	
Education	3	
Grand Total	1,077	

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Governance

As part of our digitisation effort and following our successful transition to the use of digital meeting papers during the pandemic, LCN has gone one step further and created a SharePoint site for the Executive Committee. All the relevant documents (meeting agendas/papers and minutes of previous meetings), resources (eg new induction pack) and links to forms (eg declaration of Directors' interests) are stored in one central place for easier access at any given time.

The site can only be accessed by members of the Executive Committee private group which provides increased confidentiality and security. The process of sharing meeting papers has also been streamlined as only links are now shared with EC members instead of documents attached to emails. Separate folders for the sub-committees have also been set up and are only accessible by members of those committees. Having a new centralised virtual space was positively received so we have created several similar sites to support the development of Communities of Practice and Special Interest groups across the Network.



2021 Annual Law Centre Conference

In November, LCN hosted our Law Centres Annual Conference “Justice in the Balance” online for the second year, this time using a platform LCN designed and developed in-house. The idea was to create a microsite that could be rebranded and reused year after year as well as open-sourced.

Over 3 days, we held 28 sessions including 6 plenaries, workshops, networking and our AGM with a total of 1,130 attendees.

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Law Centre Engagement

"Thank you to LCN for being fantastic support over course of the year. Being able to come here every Tuesday and talk to people going through the same issues has been incredibly helpful. The feeling that other people have your back is so important. "

No. Training and Events 22 <small>View Report (All Training All Time)</small>	No. of Attendances 565 <small>Includes repeat attendances & non-LCs View Report (All Training All Time)</small>	Unique Individuals Reached 317 <small>Includes open and closed LCs View Report (Training - Centre Engagement)</small>	Total Law Centres Reached 38 <small>Includes open and closed LCs View Report (Training - Centre Staff Engagement)</small>
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Strategic National Projects

Increasing access to EUSS for vulnerable Londoners project (Sept 2020 - Aug 2022)

Purpose: The funding is for LCN to use data, relationships, and 'seats at the table', from 5 years working with EU citizens, to understand groups unlikely to apply for Settlement. This will inform targeted service design, strategic litigation, policy and advocacy to support vulnerable EU Londoners to stay in the UK.

Highlights from activity 1 Apr 2021 - 30 March 2022:

- Collaboration with Harrow and Tower Hamlets Law Centres and LCN to share information on problems they are seeing with EUSS and vulnerable clients, ability of people to apply to scheme after deadline, to identify issues to be addressed, and to jointly develop policy and other responses.
- Continued collaboration with other organisations to monitor and respond to issues arising from the EUSS, particularly with vulnerable EU citizens living in London. Participated in regular forums on EUSS - HO Safeguarding User Group, EU Delegation's EUSS Monitoring Group, the EUSS Alliance.
- Published research Report *Vulnerability in the EUSS: Looking back, Going Forward* in July 2021 that analyses a unique set of data from Law Centres casework assisting EU citizens in the UK over 10 years, before and after the EU Settlement Scheme.

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- Report was well received and is being referred to academics, policy makers, and other organisations working with immigrant communities. It has been acknowledged as a unique insight based on a unique set of data that is not readily available.
- Extensive interest in LCN data from other organisations particularly around what appears to be a racialized response by Home Office to BAME EU nationals. The research identified approx. 50% of our complex EUSS cases involved people who are BAME EU nationals. The next phase of this research will focus in on this topic.
- Partners report the increasing high vulnerability of clients on the ground

Overcoming language barriers for victims of crime (May 2019 - July 2023)

Purpose: The project seeks to address the problem of barriers in access to justice and services faced by victims of crime who have English as a second language.

Highlights from activity 1 April 2021 – 30 March 2022

- Greater Manchester Law Centre joined the project in Year 3, extending its reach outside London
- Working with other Law Centres outside London to join project, at least one new centre will join in 2022 extending the understanding of the issues facing Victims of Crime who have English as a second language and the developing better responses to these issues
- Knowledge transfer and sharing understanding of problems being experienced locally with Harrow and Greater Manchester Law Centres and development of other responses
- Two seminars organised to extend learning from the project to other Law Centres - "How does support for Victims of Crime fit within wider Law Centre services?"
- Collaboration with Allen & Overy to make a series of Freedom of Information Requests to police nationally to learn more about how police respond to victims of crime with English as an additional language.
- Next phase will be to analyse results of the FOIs and together with partners identify good practice, policy changes required, and advocacy that needs to be undertaken.

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- Particular focus has been with victims of trafficking, women suffering domestic abuse, young people threatened with violence

CRISIS Project

The Crisis Project was a collaboration between LCN, 3 Law Centres, Public Law Project and homelessness charity, Crisis. The purpose of the project was to increase the availability and accessibility of legal information and specialist social welfare and public law advice to Crisis Skylight centres and other frontline organisations. The project aimed to test this approach, and if successful, to develop further.

When established it was hoped that funds would be available for the project to run for 2 years, but 12 months funds only were secured. However, as a test of concept the project worked well. In addition to people getting help with welfare benefits and immigration problems, it established direct referral routes between Law Centres, PLP and Crisis Skylight centres enabling more people to get the help they need more quickly and without knocking on wrong doors and identifying underlying problems that may be solved through strategic litigation.

Strategic Goal 3

Amplify the collective voice of Law Centres

Policy and advocacy: legal aid and access to justice

- **Broadening access to legal aid**
 - o Widening eligibility: as the culmination of nearly three years taking part in MoJ's legal aid means test review, we submitted a consultation response on the final proposals in May 2022. Proposals should make up to 2m additional people eligible for legal aid
 - o Bolstering homelessness prevention: we have been advocating for earlier and more joined-up legal assistance for people facing eviction. After an initial consultation in 2019 and special arrangements during the pandemic, submitted a consultation response on 'Housing Legal Aid: the Way Forward' in January 2022 and saw several of our recommendations taken up in subsequent policy
 - o Restoring earlier intervention: we have been in ongoing dialogue with MoJ over plans to pilot the reintroduction of early legal advice, which got Treasury backing in late 2021. We are keen that the pilot be as much as possible a stepping stone toward a more timely and accessible civil legal aid provision
 - o Advocating for better process: last autumn we have supported a member Law Centre by publicly highlighting online, in the media and in events how faulty Legal Aid Agency decision making have resulted in maladministration. LAA, a public body, created injustice by denying people the ability to challenge another public body, the Home Office. It also left the Law Centre £58,000 out of pocket, making it harder for it to help other people in need
- **Defending Human Rights:** we are concerned that changes to the UK human rights framework would remove the rights' universality, weaken protections in effect and have a disproportionate impact on people living in disadvantage, who are already more vulnerable to

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state abuse. In April 2021, we submitted evidence the Independent Human Rights Act Review (IHRAR) commissioned by government. Its findings, which largely affirmed the current Human Rights Act, were largely ignored by the government and we have had to set out our concerns again when responding to the MoJ consultation on Human Rights Act reform in March 2022. Having undertaken some joint advocacy on this in recent months, we are now planning further and more intensive work following the tabling of the Bill of Rights Bill

- **Upholding rights in a changing justice system**
 - o **Dispute resolution:** the government is keen to divert as many cases as possible away from long-under-resourced courts and tribunals and toward Alternative Dispute Resolution, in the form of mediation or ombudsman-led arbitration. We have grave concerns that this would be applied in inappropriate settings and would deny many disadvantaged people the opportunity to vindicate their rights. We have set out our concerns in some detail in our submission to the call for evidence on Dispute Resolution in October. We have also sought to raise the alarm with other legal practitioners with an opinion piece in the Christmas edition of Legal Action magazine. Later, we have also extensively fed into the review of last year's housing mediation pilot in early 2022. This theme will remain a rich seam of work in the medium term
 - o **Fixed Recoverable Costs:** the government seeks to bring 'clarity' and cool demand for civil claims by capping the amount of costs that a losing defendant pays the winning claimant. This reform is likely to make several key housing case types uneconomical for lawyers who help tenants, forcing them to stop doing vital work or go out of business and damaging access to justice. Last September, when the policy intention was announced, we were among the first to approach the justice minister with our concerns. We have since contributed to joint research and advocacy on the issue, seeking an exemption from FRCs for housing claims. We have achieved a partial concession, exempting housing legal aid cases for two years – but continue to advocate for a broader exemption that would preserve important case types such as fighting unlawful evictions or property disrepair
 - o **Possession reform:** procedural reform is often the 'fine print' of policy change but also the location the devil in the detail. We have been scrutinising the seven-year-long court reform programme throughout, and the reform of possession proceedings is its last project. The main elements of this reform – expansion of digital-by-default access to possession claims, simplifying forms and accelerating the process – will serve only the landlord side and we are concerned that this would put tenants at greater risk of faster eviction and, most likely, homelessness. Our current work on this will continue throughout the coming year

Policy and advocacy: other issues relating to Law Centres' work

- **Housing rights:** housing law is the most common area of practice among Law Centres that defend tenants in disadvantage. In anticipation of government reform of the private rented sector, last year we joined the Renters Reform Coalition, which brings together charities working in the housing field with grassroots renters' groups. We are campaigning for safe, secure and affordable homes for all, and are the key proponents in the coalition for an access to justice offering that truly serves tenants in their power imbalance with their landlords. In the meantime, we have also been working to improve housing options for social tenants. In January, we published a guidance note to local authorities, titled 'Exhaust All Options', that

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helps local housing officers use the full breadth of the powers that they have to accommodate homeless people. This initiative was undertaken in collaboration with Camden Community Law Centre and with the Centre for Homelessness Impact, which is the government's designated What Works Centre on alleviating homelessness

- **Migrant rights:** immigration law is the second most common area of practice among Law Centres, and a significant proportion of their clients are migrants. We were therefore well placed to respond to the government's 'New Plan for Immigration' consultation last May, and were appalled to see the Nationality and Borders Act introduced and rushed through with no heed to the responses sought. We continue to take part in two joint campaigns for migrant rights: one to 'Lift the Ban' on asylum seekers working as they wait for decisions on their cases, and another to bring 'Families Together' through safer, simpler family reunion rules. LCN has also led 16 Law Centres in a nationwide service for EU nationals with complex cases who applied for Settled Status in the UK following Brexit. Having analysed our records, last July we published our previously unreleased findings in a report on 'Vulnerability in the EU Settlement Scheme', which we continue to draw on in our advocacy for better process and outcomes for a significant proportion of applicants
- **Disability rights:** while Long Covid is not recognised as a disability, the effects of this condition are debilitating and prevent many from working and earning their livelihoods. The clinical understanding of Long Covid is still developing and support provisions for people with the condition are very limited. Greater Manchester Law Centre has led work on this issue and has approached LCN for help in advocating for policy change, specifically on treating Long Covid as if it were a disability for the purposes of benefits and other support. LCN has facilitated contact with the national equality watchdog, the Equality and Human Rights Commission
- **Making the case for supporting legal advice:** in late 2021, in the run-up to the Chancellor's spending review, LCN contributed data to a report commissioned by the Community Justice Fund titled 'Defending the Public Purse', which provided analysis and arguments for public funding of community legal advice.

Communications and public profile

Our key challenge this year has been to develop LCN's communications capacity, primarily through appointing a permanent communications officer. This would allow us to follow through on our plans to make the Law Centre brand – what we stand for – better known and for the voices of local Law Centres and their clients to be amplified when addressing their experiences and current social issues.

- Recruited LCN's first ever full-time communications officer after a two-year period of temporary and part-time covers
- 22 Law Centres were covered in the media 71 times, and LCN – speaking on behalf of Law Centres – was covered 14 times, 1 in 6 of the total appearances
- Two-thirds of these media appearances (56 of 85) were in national platforms and titles rather than local ones
- Supported the community of practice of Law Centre staff with communications responsibilities through 3 meetings and a dedicated emailing list to share resources
- Work is underway to refresh the LCN brand with a view to creating a suite of assets for use across the network, not just by LCN

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- Work is underway to build a new website for LCN for launch by November 2022, following extensive user research and planning



Impact

- Influenced several favourable policy amendments on legal aid eligibility, homelessness prevention, early legal advice and Fixed Recoverable Costs
- Published two reports with original analysis, on the EU Settlement Scheme and on council housing powers, in collaboration with influential subject area specialists
- Improved Law Centres' media profile on national outlets and spoke out about justice reform, procedural injustices and the impact of the cost-of-living crisis on Law Centre clients
- Increased joint campaigning activity on issues affecting Law Centre clients, primarily renters' rights, migrant rights and human rights

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 the deepening cost of living crisis and the continuing impact of Covid-19. Law Centres are facing reduced funding in the year ahead with legal aid income at an all-time low: and the extensive needs of local people

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arising from this situation with fewer local agencies able to provide assistance. Strong and accessible Law Centres are needed more than ever. LCN must step up to support them to respond to these challenges.

Consequently, LCN continues to work towards its longer term (10 years) vision for Law Centres and for LCN set in late 2019. 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 - 2022/2023

Following a reconsideration of LCN's Theory of Change in 2021, and clarification of our strategic goals, in 2022-2023 LCN's objectives remain to:

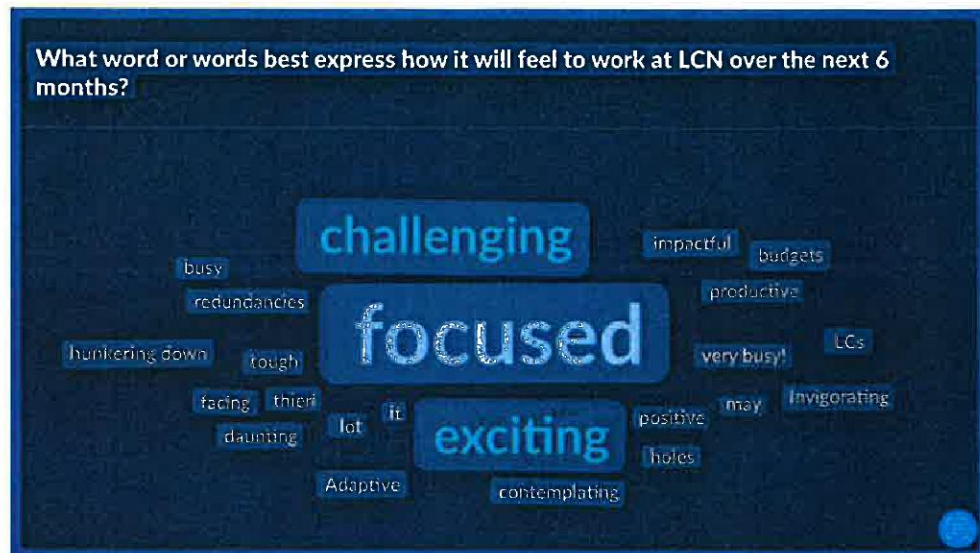
1. Help Law Centres to thrive
2. Strengthen the network of Law Centres
3. Amplify the voice of Law Centres

We do this so that:

1. Law Centres are better able to meet the needs of their clients and respond to their communities
2. Law Centres can learn, act and grow together
3. LCN and Law Centres better champion rights and challenge injustice

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At the 2022 AGM 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 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. Reported above is work we are undertaking to ensure LCN adequately protects data that it collects and complies with GDPR requirements.

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Financial review

The total net outgoing resources for LCN were (£169,509), (2021: incoming resources £145,770).

LCN had a small surplus on unrestricted funds of £5,833. Together with the accumulated surplus brought forward from previous years, the charitable company now has accumulated unrestricted funds of £312,134 (2021 £306,301).

Our main source of unrestricted funds continues to be from subscriptions from Law Centres and donations. This year there were no gifts in kind as meetings continue to be held on-line while the contribution to income in 2021: £5,062 as gifts-in-kind was generously provided by several law firms.

Restricted funds carried forward at 31 March 2022 amounted to £125,348 (2021: £300,690).

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 £247,217. The current level of unrestricted reserves is £312,134 of which £62,253 is designated, at Balance Sheet date, leaving £249,881 in free reserves. This is sufficient for LCN to run for 6 months. Unrestricted cash balance on 31 March 2022 amounted to £285,575 which includes designated cash reserves. Therefore, free cash reserves at 31 March 2022 amounts to £223,322.

The level of unrestricted reserves and available cash is sufficient for LCN to meet its obligations to all staff (calculated at £105,351) should it cease trading. The Executive Committee believes 6 months reserves is prudent for LCN to hold given the current circumstances in the UK.

Going Concern

The Executive Committee at each of its meetings throughout 2021-2022 considered its financial position and whether LCN continued to be a going concern. The Finance Sub-Committee of the EC 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, our current banking arrangements, and checked that the free reserves available can cover LCN's liabilities should it

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have to close. Importantly the Committee considered the current economic climate, and the impact of inflation and cost of living crisis. 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 that risk to LCN's reputation should also be considered given the effect that could have on LCN's ability to fundraise.

At its meeting on 11h July 2022, 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 2022/2023 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. The EC added two additional considerations - LCN's ability to sustain and grow its membership and its cash position. The Executive Committee considered LCN's future funding 'pipeline' and the financial position of Law Centres as part of its judgement about 'going concern'. LCN secured 2 new multi-year grants in the first quarter of 2022-2023 and have submitted other applications for which they await response.

The Executive Committee then agreed that LCN is a going concern until at least the end of 2023.

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.

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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.

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 LCN's current and future finances.

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 10 October 2022 and signed on its behalf by:

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

Helen Rogers

Chair of Trustees

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Independent Auditor's Report
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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 2022 which comprise the Statement of Financial Activities (incorporating the Summary Income and Expenditure Account), 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of the 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 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.

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

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course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters 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 29, 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.

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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.

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 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the charitable company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit report.

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.

**Law Centres Federation
Independent Auditor's Report
For the year ended 31 March 2022**

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

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.

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. 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 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.
- 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, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

**Law Centres Federation
Independent Auditor's Report
For the year ended 31 March 2022**

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.

A handwritten signature in blue ink that reads "Moore Kingston Smith LLP".

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

Date: 28/11/2022
9 Appold Street
London
EC2A 2AP

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

Law Centres Federation

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

For the year ended 31 March 2022

	Note	Restricted £	Unrestricted £	2022 Total £	2021 Total £
Income and Endowments					
Donations	2a	-	159,847	159,847	288,277
Ministry of Justice Grant	2b	-	-	-	3,000,000
Charitable activities	2c	713,108	180,863	893,971	1,248,137
Investments		-	37	37	105
Other	2d	-	3,753	3,753	34,241
Total		713,108	344,500	1,057,608	4,570,760
Expenditure on:					
Raising funds		-	33,064	33,064	29,073
Ministry of Justice Grant	3c	-	-	-	3,000,037
Charitable activities	3	888,450	305,603	1,194,053	1,395,879
Total		888,450	338,667	1,227,117	4,424,990
Net income/(expenditure)		(175,342)	5,833	(169,509)	145,770
Net movement in funds	10	(175,342)	5,833	(169,509)	145,770
Reconciliation of funds:					
Total funds brought forward	10	300,690	306,301	606,991	461,221
Total funds carried forward		125,348	312,134	437,482	606,991

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 39 to 49 form part of these financial statements.

Law Centres Federation

Balance sheet

As at 31 March 2022

	Note	£	2022 £	2021 £
Fixed Assets				
Tangible Fixed Assets	9	<u>2,254</u>	2,254	2,948
Current assets				
Debtors	7	163,970		164,415
Cash at bank and in hand		<u>410,923</u>		<u>566,015</u>
		574,893		730,430
Creditors: amounts falling due within one year	8	<u>(139,665)</u>		<u>(126,387)</u>
Net current assets			<u>435,228</u>	<u>604,043</u>
Net Assets			<u>437,482</u>	<u>606,991</u>
Funds	10			
Restricted funds				
In surplus			125,348	300,690
Unrestricted funds:				
General fund			312,134	306,301
<i>of which designated</i>			<u>62,253</u>	<u>145,000</u>
Total funds			<u>437,482</u>	<u>606,991</u>

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 10 October 2022 and signed on its behalf by



Helen Rogers
Chair



Sean Canning
Treasurer

The notes on pages 39 to 49 form part of these financial statements.

Company no. 2433492

Law Centres Federation

Cash Flow Statement

As at 31 March 2022

	Note	2022 £	2021 £
Cash flows from operating activities:			
Net cash provided by/(used in) operating activities	15	(154,362)	318,964
Cash flows from investing activities:			
Interest income		37	105
Purchase of property, plant and equipment		(767)	(4,571)
Net cash provided by/(used in) investing activities		(730)	(4,466)
Change in cash and cash equivalents in the reporting period		(155,092)	314,498
Cash and cash equivalents at the beginning of the reporting period		566,015	251,517
Cash and cash equivalents at the end of the reporting period		410,923	566,015

Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand	38,818	37,009
Cash at bank	372,105	529,006
Total cash and cash equivalents	410,923	566,015

Analysis of changes in net debt

	1 April 2021 £	Cash flows £	30 March 2022 £
Cash	566,015	(155,092)	410,924
Loans falling due within one year	-	-	-
Loans falling due after more than one year	-	-	-
Total	566,015	(155,092)	410,924

Law Centres Federation

Notes to the financial statements

For the year ended 31 March 2022

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

- 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 each of its meetings throughout 2021-2022 considered its financial position and whether LCN continued to be a going concern. At its meeting on 11h July 2022 it also 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. The Executive Committee's Finance Sub-Committee monitored risk, LCN's future funding 'pipeline' and the financial position of Law Centres as part of its judgement about 'going concern'. LCN secured 2 new multi-year grants in the first quarter of 2022-2023 and have submitted other applications for which they await response. The EC agreed that LCN is a going concern 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.

Law Centres Federation

Notes to the financial statements

For the year ended 31 March 2022

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.

2a. Donations

	Restricted £	Unrestricted £	2022 Total £	2021 Total £
Subscriptions from Law Centre members	-	83,800	83,800	82,000
Donations	-	76,047	76,047	206,277 **
	-	159,847	159,847	288,277

In the preceding year, all income from donations was attributable to unrestricted funds.

2b. Extraordinary Grant

	Restricted £	Unrestricted £	2022 Total £	2021 Total £
Ministry of Justice	-	-	-	3,000,000
	-	-	-	3,000,000 **

In the preceding year, extraordinary grant income was attributable to restricted funds.

2c. Charitable Activities

	Restricted £	Unrestricted £	2022 Total £	2021 Total £
AB Charitable Trust	20,000	50,000	70,000	80,000
Allen & Overy Foundation	-	25,000	25,000	25,000
Bell Foundation	6,666	-	6,666	10,000
Comic Relief	62,876	-	62,876	-
Esmée Fairbairn Foundation	-	-	-	71,500
European Union Latin American Project	-	-	-	37,779
Freshfields	-	20,000	20,000	-
Home Office	-	-	-	365,919
IT - Digital Transformation (TNLCF)	170,000	-	170,000	149,750
IT National Project (TLEF)	279,401	-	279,401	-
National Lottery - Covid Emergency	-	-	-	205,000
Public Law/ Crisis Project	30,000	-	30,000	30,000
Paul Hamlyn Foundation	-	40,000	40,000	-
Philip King Charitable Trust	25,000	-	25,000	-
Sustainability (TLEF)	66,666	-	66,666	66,667
Three Guineas	-	-	-	100,000
TLEF - Covid Emergency	-	-	-	20,000
Trust for London Post Brexit	52,500	-	52,500	28,000
Training Fee /Services to LCs	-	37,050	37,050	35,956
Gifts in Kind	-	-	-	5,062
Annual conference	-	8,812	8,812	17,504
Total	713,108	180,863	893,971	1,248,137

In the preceeding year (ended 2021), £132,696 of total income from charitable activities were related to unrestricted funds and £1,115,441 attributable to restricted funds.

Law Centres Federation

Notes to the financial statements

For the year ended 31 March 2022

2d. Other Income

	Restricted £	Unrestricted £	2021 Total £	2021 Total £
Sundry Income	-	3,753	3,753	9,216
IT Licensing	-	-	-	25,025
Total	-	3,753	3,753	34,241 **

In the preceding year (ended 2021), £6,152 of other income was attributable to unrestricted funds and £28,089 attributable to restricted funds.

Law Centres Federation

Notes to the financial statements

For the year ended 31 March 2022

3. Total expenditure		Raising Funds	Charitable Activities	Support Cost	2022	2021
		£	£	£	£	£
Staff costs	5	32,349	434,537	45,352	512,238	485,075
Staff Travel, Training, Recruitment & Meetings		715	3,461	7,147	11,323	7,505
Governance costs	3d	-	14,987	-	14,987	14,084
Premises costs		-	23,284	-	23,284	12,302
Office: Office costs, ICT, Insurance & Communications		-	4,867	8,477	13,344	21,332
Legal and Professional Fees		-	-	6,780	6,780	4,182
Services to Law Centres		-	75,071	-	75,071	80,289
Grants & Payments to Law Centres	3b	-	242,509	-	242,509	454,703
Ministry of Justice Grant & Payments	3c	-	-	-	-	3,000,037
Annual Conference & Events		-	10,802	-	10,802	29,962
Publication design & print		-	-	-	-	8,771
Subscriptions & Journals		-	9,651	-	9,651	3,503
Training and Course Costs		-	149	-	149	3,389
Website / Digital Development		-	8,700	-	8,700	12,057
Bad debts expense (Note 3c)		-	-	-	-	720
Gifts in kind		-	-	-	-	5,062
Other (Travel & Project Specific costs)		-	296,629	1,650	298,279	282,017
Total expenditure		33,064	1,124,647	69,406	1,227,117	4,424,990
Support Costs		4,383	65,023	(69,406)	-	-
Total expenditure		37,447	1,189,670	-	1,227,117	4,424,990

In the preceding year (ended 2021), £285,942 of expenditure was attributable to unrestricted funds and £4,139,048 attributable to restricted funds.

3a. Total expenditure (Comparison 2021)

	Raising Funds	Charitable Activities	Support Cost	2021	2020
	£	£	£	£	£
Staff costs	24,911	412,071	48,093	485,075	309,811
Staff Travel, Training, Recruitment & Meetings	-	7,505	-	7,505	11,339
Governance costs	-	14,084	-	14,084	17,927
Audit and other fees	-	-	-	-	-
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	-	454,703	-	454,703	1,078,401
Ministry of Justice Grant & Payments	-	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	-
	24,911	4,345,199	54,880	4,424,990	11,037
Support Cost	4,569	50,311	(54,880)	-	-
Total expenditure	29,480	4,395,510	-	4,424,990	1,679,502

3b. Analysis of Grant Payments to Law Centres

	2022	2021
	£	£
Crisis Hub	39,000	21,000
Comic Relief - Digital Inno	37,550	-
EULAMP	-	38,585
EUSS	-	324,318
Guardian Appeal	-	2,000
Justice Fund - Money for LC	102,089	-
Law firm donations	-	25,000
North Wales steering Group	-	5,000
TNLF Covid	12,900	3,800
TFL-PostBrexit	20,000	6,000
Three Gulneas	30,970	29,000
	242,509	454,703

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

Ministry of Justice grant income of £3m was received in 2021. Grant payments shown below reflect amounts distributed in accordance with one-off funding received from the Ministry of Justice grant in the year ended 2021.

Organisation	2022	2021
	£	£
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

3d. Analysis of governance costs

	2022	2021
	£	£
Annual Report	1,638	1,950
Audit	12,957	11,330
EC travel (reimbursed)	58	-
Governance meetings	334	804
Total governance costs	14,987	14,084

3e. Analysis of bad debt expense

	2022	2021
	£	£
Debtor w/offs	-	720
Total bad debt expense	-	720

Law Centres Federation

Notes to the financial statements

For the year ended 31 March 2022

4. Net (expenditure) / income for the year

This is stated after charging:	2022	2021
	£	£
Executive Committee's reimbursed expenses	58	-
Auditors' remuneration (excluding VAT):		
▪ Audit	10,975	10,210
Operating lease rentals:		
▪ property	7,660	8,480
	<u>7,660</u>	<u>8,480</u>

Executive Committee expenses of £58 were incurred in 2021 - 2022 due to online meetings (£0 in 2020/21). None of the 23 members (17 members to Nov 2021; 17 members from Nov 21) of the committee serving during 2021-22 were remunerated.

5. Staff costs and numbers

Staff costs were as follows:	2022	2021
	£	£
Salaries and wages	439,399	417,335
Social security costs	41,595	38,642
Pension contributions	31,244	29,098
	<u>512,238</u>	<u>485,075</u>

5a. Staff costs by activities

	2022	2021
	£	£
Raising Funds	32,349	33,829
Charitable Activities	434,537	404,402
Support Cost	45,352	46,844
	<u>512,238</u>	<u>485,075</u>

One employee earned more than £60,000 during the year. Total pension contributions paid during the year in relation (In 2021, one employee earned more than £60,000 during the year and received £4,328 in pension contributions).

5b. Staff numbers by activities

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

	Head count		Full Time Equivalent	
	2022	2021	2022	2021
	No.	No.	No.	No.
Cost of generating income	4	4	0.6	0.6
Support costs	5	7	1.1	1.2
Direct Service provision	17	13	8.9	10.1
Average Employee Numbers	<u>13</u>	<u>12</u>	<u>10.5</u>	<u>12</u>

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

Key Management Personnel

The Key Management of the Charity is considered to be the Director (FT), Finance Officer (0.5 FTE) (& Trustees). The total employee benefits of the key management personnel were £ 93,336.11 (2021: £102,712), which includes total employer NIC Contributions of £4,446.96 (net of 4k employment Allowance) and total employer pension contributions of £5,523.01.

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

Law Centres Federation

Notes to the financial statements

For the year ended 31 March 2022

6. Taxation

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

7. Debtors

	2022	2021
	£	£
Grants receivable	100,000	40,000
Prepayments	28,477	33,914
Conference fees	2,500	4,700
IT Licensing	4,680	14,859
Membership & Lexis Nexis	24,673	23,911
Other debtors	3,640	47,031
	<u>163,970</u>	<u>164,415</u>

8. Creditors: amounts due within 1 year

	2022	2021
	£	£
Trade creditors	87,546	69,344
Taxation and social security	1,748	12,316
Accruals	17,687	10,525
Pension contributions	3,175	3,175
Amount held on behalf of Law Centres	27,673	29,367
Other creditors	1,836	1,662
	<u>139,665</u>	<u>126,389</u>

9. Fixed assets

	Computer equipment	2022 Total
	£	£
Cost		
As at	15,070	15,070
Additions	767	767
As at 31 March 2022	<u>15,837</u>	<u>15,837</u>
Depreciation		
As at	12,122	12,122
Charge for the year	1,461	1,461
As at 31 March 2022	<u>13,583</u>	<u>13,583</u>
Net book value		
As at	<u>2,948</u>	<u>2,948</u>
As at 31 March 2022	<u>2,254</u>	<u>2,254</u>

Law Centres Federation

Notes to the financial statements

For the year ended 31 March 2022

10. Movements in funds

	At the start of the year £	Incoming resources £	Outgoing resources £	Transfers £	At the end of the year £
Restricted funds:					
Development and support of Law Centres					
AB Charitable Trust (Income generation development)	1,396	-	1,396	-	-
AB Charitable Trust (Noth Wales Law Centre startup funds)	-	20,000	-	-	20,000
Bell Foundation	3,317	6,666	8,876	-	1,107
Comic Relief	-	62,877	62,877	-	-
Covid Support (TNLCF)	10b 99,757	-	84,757	(15,000)	-
Covid Support (TLEF)	10b 3,359	-	3,359	-	-
Esmee Fairbairn Foundation	29,739	-	29,739	-	-
IT - Digital Transformation (TNLCF)	62,697	169,999	148,695	-	84,001
IT - Digital Upgrade(TLEF)	-	279,400	268,987	-	10,413
Philip King Charitable Trust	-	25,000	16,303	-	8,697
Public Law Project	10c 9,000	30,000	54,000	15,000	-
Scoping Legal Support and Social Care with Social Finance (TLEF)	5,100	-	5,100	-	-
Sustainability (TLEF)	46,519	66,666	112,591	-	594
Three Guineas Trust	31,516	-	31,516	-	-
Trust for London Developing New Models	1,858	-	1,858	-	-
Trust for London Post Brexit	6,432	52,500	58,396	-	536
Total Restricted Funds	300,690	713,108	888,450	-	125,348
Unrestricted funds	306,301	344,500	338,667	-	312,134
General fund ***	606,991	1,057,608	1,227,117	-	437,482
of which General Funds	161,301	269,807	181,227	-	249,881
of which designated	10a 145,000	74,693	157,440	-	62,253
Total funds	606,991	1,057,608	1,227,117	-	437,482

*** Resources include Bank Interest

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.

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 women at risk of destitution – ends in June 2022.

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.

Comic Relief: A collaborative project, which co-designed the 'front-end' of LCN's Enquiry Desk, working closely with GMLC, their partners and people affected by homelessness and housing insecurity, to better manage enquiries, ensuring distributed teams can keep track of an individual's enquiry across different channels and get people the assistance they need more quickly.

Esmee Fairbairn Foundation - 3 years funding for core costs to maintain capacity and delivery on LCN's policy objectives. This grant ended this year.

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. Funds from this 3-year grant were carried forward into this year, they have now been expended.

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. In 2020, most hardware provided changed to mobile equipment to ensure all Law Centres are able to provide services from any location.

£22,600 of this grant was for the development of a new Theory of Change and development of data model to report against the Theory of Change.

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. The final activity in this project was completed in 2021.

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. 2022 is the final year of the grant.

Paul Hamlyn Foundation – A core grant provided to work on influencing government departments and other public bodies on the future of a fair and effective justice system, particularly in response to the impact of changes arising from the Covid pandemic.

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10. Movements in funds (continued)

Purposes of restricted funds (continued)

Philip King Charitable Trust – This grant was provided to support the development of the Ride for Justice fundraising event aimed at securing donations for Law Centres.

CRISIS / Public Law Project - In partnership with CRISIS, an 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 were partners in this project. LCN also focused on learning about the impact of Covid on the legal needs of people who were homeless and particularly without access to digital assistance. This project has been completed.

The National Lottery Community Fund: Realising Law Centres 2020 Digital Vision - grant awarded to LCN to work together with Law Centres to explore and implement digital technology to assist them to achieve their mission. This grant will end in 2023.

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 Covid on the legal needs of people, to understand how to better assist people with no access to digital assistance, 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. Final activities completed early in 2021-2022.

Three Guineas Trust – Grant awarded to distribute to Law Centres to help them respond to the Covid 19 Pandemic. Grants were made to Law Centres to adapt their service provision to remote working during the first lockdown with approximately one third of the grant used to buy mobile computer equipment. A small portion of the grant was carried forward into 2021 but was distributed to Law Centres in April 2021 along with other donations received for Law Centres.

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. Grant includes funds to work with 2 partner Law Centres.

10a. Designated Unrestricted Funds

The designated funds at the start of the year was made up of £18,755 from the Ellerman Foundation to support learning and transformation in Law Centres, Covid Emergency donations of £12,900, as well as £113,345 of general donations to the Justice Fund in 2021. These funds were distributed to Law Centres in April 2022. The 2022 incoming designated funds were donations raised through the Big Give and from other donors throughout the year for distributed to Law Centres.

10b. Restricted Covid Emergency Support

Includes grant funding from the Ministry of Justice (£3million, plus £37 bank interest), The National Lottery Community Fund (£205,000) and The Legal Education Foundation (£20,000). The Ministry of Justice grant was expended in full in 2021. The carried forward funds from National Lottery Community Foundation and the LEF were expended in the first half of 2022.

10c. Restricted Funds Transfer

£15,000 was transferred from The National Lottery Community Fund to the Crisis Project to undertake a focused piece of work to learn more about the impact of Covid on the legal assistance needs of people who were homeless and to learn how best to respond, particularly with people who had no access to digital assistance. This was in line with the purpose for which the NLCF grant was provided.

10d. Comparative Information: Movements in funds for year ended 31 March 2021

	At the start of the year	Incoming resources	Outgoing resources	Transfers	At the end of the year
	£	£	£	£	£
Restricted funds:					
Development and support of Law Centres					
AB Charitable Trust	-	30,000	28,603	-	1,397
Access to Justice	8,431	-	8,431	-	0
Bell Foundation	2,000	10,680	9,363	-	3,317
Covid Support (TNLCF)	-	205,000	105,243	-	99,757
Covid Support (TLEF)	-	20,000	16,641	-	3,359
Covid Support (Ministry of Justice) **	-	3,000,037	3,000,037	-	0
Esmée Fairbairn Foundation	26,893	71,500	68,653	-	29,740
European Union Latin American Project	(16,282)	40,843	48,035	23,475	0
Home Office *	-	366,065	366,065	-	0
IT - Digital Transformation (TNLCF)	43,264	149,750	130,317	-	62,697
IT - Digital Upgrade (TLEF)	172,055	25,025	197,080	-	0
PRE Brexit (Trust for London)	3,065	-	3,065	-	0
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	-	0
Total restricted funds	272,697	4,143,567	4,139,047	23,475	300,691
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					
Total funds	461,221	4,570,760	4,424,989	-	606,992

* Resources include allocated Gifts in Kind

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Notes to the financial statements

For the year ended 31 March 2022

11. Net Assets by Fund

	Unrestricted	Restricted	2022 Total
	£	£	£
Fixed Assets	2,254	-	2,254
Net current assets	309,879	125,348	435,226
	<u>312,132</u>	<u>125,348</u>	<u>437,480</u>

11a. Net Assets by Fund (2021 Comparison)

	Unrestricted	Restricted	2021 Total
	£	£	£
Fixed Assets	2,948	-	2,948
Net current assets	297,742	306,303	604,043
	<u>300,689</u>	<u>306,302</u>	<u>606,991</u>

12. Operating lease commitments

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

	Property	
	2022	2021
	£	£
Within 1 year	9,486	4,240
1 - 2 years	-	-
2 - 5 years	-	-
	<u>9,486</u>	<u>4,240</u>

13. Related party transactions

Some members of LCN's board of trustees sit on the boards of community Law Centres that receive funds from

	2022
	£
Derbyshire Law Centre (Sharon Chandlers)	£18,000
South West London Law Centre (Patrick Maples)	£12,527

14. Reconciliation of net income/expenditure to net cash flow from operating activities

	2022	2021
	£	£
Net expenditure as per the statement of financial activities	(169,509)	145,770
Adjustments for:		
Depreciation charges	1,481	5,752
Investment income	(37)	(105)
(Increased) / decrease in debtors	445	384,559
Increase / (decrease) in creditors	13,278	(217,012)
Net cash provided by/(used in) operating activities	<u>(154,362)</u>	<u>318,964</u>

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Notes to the financial statements

For the year ended 31 March 2022

15. **COMPARATIVE INFORMATION: Statement of financial activities (incorporating an income and expenditure account) for 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