

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

England & Wales · Charity number 1089503

Details

Other names CLES, Centre for Local Economies

Status Registered

Legal form Charitable company

Company number [04242937](#)

Registered 2001-11-27

Register [View on the Charity Commission register](#)

Contact

Address 52
Oak Street
Manchester
M4 5JA

Phone 01618327871

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Website www.cles.org.uk

Activities

Objects: TO EDUCATE THE PUBLIC BY EXCLUSIVELY CHARITABLE MEANS AND IN PARTICULAR TO PROMOTE, ENCOURAGE AND CONDUCT RESEARCH INTO SUBJECTS CONNECTED WITH THE FORMULATION, DIRECTION, ORGANISATION, ADMINISTRATION AND EFFECTS OF ECONOMIC, FISCAL, REGENERATION AND EMPLOYMENT POLICIES AND INITIATIVES IN THE UNITED KINGDOM WHETHER ON A LOCAL, REGIONAL OR NATIONAL LEVEL AND ALL RELATED SUBJECTS AND DISCIPLINES INCLUDING THOSE OF AN INTERNATIONAL CHARACTER AND TO PUBLISH THE USEFUL RESULTS OF SUCH RESEARCH; TO PROMOTE SUSTAINABLE DEVELOPMENT FOR THE PUBLIC BENEFIT, IN PARTICULAR BY PROMOTING SUSTAINABLE MEANS OF ACHIEVING LOCAL ECONOMIC GROWTH AND REGENERATION; TO PROMOTE THE EFFECTIVENESS AND EFFICIENCY OF THE CHARITABLE AND VOLUNTARY SECTOR FOR THE PUBLIC BENEFIT, IN PARTICULAR BY PROVIDING ADVICE, INFORMATION, TRAINING AND SEMINARS ON SUBJECTS RELATED TO THE CONTRIBUTION MADE BY THE CHARITABLE AND VOLUNTARY SECTOR TO THE CREATION AND DEVELOPMENT OF LOCAL COMMUNITIES AND PLACES. SUSTAINABLE DEVELOPMENT MEANS "DEVELOPMENT WHICH MEETS THE NEEDS OF THE PRESENT WITHOUT COMPROMISING THE ABILITY OF FUTURE GENERATIONS TO MEET THEIR OWN NEEDS".

Activities: CLES undertakes research, organises conferences, seminars and training courses, produces publications and runs a library, information service and database in relation to the formulation, direction, organisation, administration and effects of economic, fiscal and employment policies and initiatives in the UK.

Classification

- **How:** Provides Advocacy/advice/information, Sponsors Or Undertakes Research, Acts As An Umbrella Or Resource Body
- **What:** Education/training, Economic/community Development/employment
- **Who:** Children/young People, Elderly/old People, People With Disabilities, People Of A Particular Ethnic Or Racial Origin, Other Charities Or Voluntary Bodies, Other Defined Groups, The General Public/mankind

Geography

- **Area of benefit:** UNITED KINGDOM
- Northern Ireland
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-06-30	£1,232,868	£1,171,433	£244,370	18
2024-06-30	£1,097,648	£1,232,988	£182,937	18
2023-06-30	£1,241,973	£1,113,322	£328,461	18
2022-06-30	£1,015,710	£1,279,714	£199,810	21
2021-06-30	£984,616	£923,139	£463,814	16

Trustees

Name	Role	Appointed
Professor Carolyn Wilkins OBE	Chair	2022-06-10
Caroline Wilson		2025-06-11
David Meller		2020-10-31
GAVIN LUKE WHITE		2025-09-17
Geraldine Brown		2025-06-11
Huw Thomas		2022-06-10
Joe Dromey		2023-06-22
Naila Wood		2025-06-11
Paul Dennett		2016-05-24
Rebecca Deegan		2022-06-10
Sonia Halliwell		2023-06-22

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

England & Wales - Charity number 1089503

Accounts

Company registration number: 04242937

Charitable company registration number: 1089503

Centre for Local Economic Strategies Limited

known as

CLES Limited

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 30 June 2025

Menzies LLP
Statutory Auditor
One Express
1 George Leigh Street
Manchester
M4 5DL

Centre for Local Economic Strategies Limited

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Centre for Local Economic Strategies Limited

Reference and Administrative Details

Trustees	C Wilkins
	Cllr P Dennett
	N Bolger, (resigned 12 March 2025)
	A Donald, (resigned 12 March 2025)
	Cllr D P Meller
	Cllr B Craig, (resigned 17 September 2025)
	R Deegan
	H Thomas
	J Dromey
	S Halliwell
	N Wood, (appointed 11 June 2025)
	C Wilson, (appoint 11 June 2025)
	G Brown, (appoint 11 June 2025)
	Cllr G White, (appoint 17 September 2025)
Secretary	S L Longlands
Senior Leadership Team:	
Chief Executive Officer	S L Longlands
Other Members of the Team	T Lloyd Goodwin
	S MacDonald (resigned 1 September 2024)
Charitable company Registration Number	1089503
Company Registration Number	04242937
Principal and Registered Office	52 Oak Street Swan Square Manchester M4 5JA
Auditor	Menzies LLP Statutory Auditor One Express 1 George Leigh Street Manchester M4 5DL

Centre for Local Economic Strategies Limited

Reference and Administrative Details

Solicitors:	Bates, Wells & Braithwaite 61 Charterhouse Street London EC1M 6HA
Bankers	Co-operative Bank PLC 1 Balloon Street Manchester M60 4EP

Centre for Local Economic Strategies Limited

Trustees' Annual Report (Incorporating the Directors' Report)

The Trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 30 June 2025.

Objectives and activities

Objects and aims

The objectives of the Charity are to:

- Educate the public by exclusively charitable means and in particular to promote, encourage and conduct research into subjects connected with the formulation, direction, organisation, administration and effects of economic, fiscal, regeneration and employment policies and initiatives in the United Kingdom whether on a local, regional or national level and all related subjects and disciplines including those of an international character and to publish the useful results of such research.
- Promote sustainable development for the public benefit, by promoting sustainable means of achieving local economic growth and regeneration.
- Promote the effectiveness and efficiency of the charitable and voluntary sector for the public benefit by providing advice, information, training and seminars on subjects related to the contribution made by the charitable and voluntary sector to the creation and development of local communities and places.

In shaping our objectives for the year and planning our activities, we have been informed by the Charity Commission guidance on public benefit and many of our publications and activity is free to view and download

Mission and Aims

Established in 1986, CLES is a Manchester based charity working towards a future where local economies benefit people, place and the planet. This will happen when wealth and power serve local people, rather than the other way around, enabling communities to flourish. We have an international reputation for our pioneering work on community wealth building and are recognised as the curators of the movement in the UK.

We act as a critical friend to local places helping to bring anchor organisations together, connect them to local economies and together devise solutions and deliver change. We use this experience of delivering change on the ground to advocate for change nationally. We do this in a number of ways.

- Act as a champion for radical economic change for places and communities experiencing social, economic, and environmental inequality.
- Work to improve the effectiveness of local state organisations including Councils and Health organisations as well as agencies and organisations in addressing these problems by developing practice and informing policy locally and nationally.
- Develop skills and ideas of public officials who should, as far as possible, reflect the diverse communities in which they serve.
- Inform and educate the public and stakeholders about the value and benefits to local economies of high-quality public services, this includes publishing and distribution of pamphlets, reports, leaflets, journals, films, and instructional matter on any medium.
- Promote, encourage, carry out or commission research, surveys, studies or other work, making the useful results available.
- Organise and assist in the provision of conferences, training, facilitated workshops and other educational activities.

Centre for Local Economic Strategies Limited

Trustees' Annual Report (Incorporating the Directors' Report)

Public benefit

The Trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

CLES delivers a range of activities on economic development and community wealth building across the UK and Ireland. CLES takes account of the relative public benefit expected to flow from work, as well as considering the financial viability of the activities. During 2024/25 we continued to work closely with local authorities, civil society organisations and other charities alongside our CLES members to help deliver our charitable aims and organisational objectives.

Review of the year - Key highlights

During 2024/25, CLES's work was once again diverse and wide ranging in pursuit of our charitable objectives. Key highlights from the year include:

- **Project work:** Delivery of 24 projects including commissioned and grant funded work with more than 33 partners across the UK and Ireland. These projects included the development of community wealth building plans, supporting public organisations with the development and delivery of social value frameworks, local government procurement policy, employment and progression, regional economic development and local government finance. The proportion of our income raised through grant funded projects has continued to increase in 2024/25.
- **Events and convening:** We convened a series of events throughout the year including our regular community wealth building training which attracted participants from a wide range of organisations and places. We instigated a new 'CLES Hour' in March, April, May and June which provided an opportunity to convene our network informally to discuss key themes/policy change. We also participated in the party conferences with a fringe event at the Labour party, presenting findings from our Reclaiming Our Regional Economies (RORE) programme.
- **Reports and advocacy:** We published 12 new reports and briefing papers including work on regional health and devolution, planning policy, procurement and small business in Scotland. The CLES team have worked hard to disseminate findings from our research to policy and decision makers as well as the general public. This has included more than 25 blogs comment and opinion pieces in a range of national and trade press publications including a regular column in the Municipal Journal as well as the Local Government Chronicle, and LBC Opinion. We were also invited to contribute to a range of national debates via broadcast media including LBC Radio, BBC Radio Manchester, ITV News, Granada Reports and the BBC Politics Show North West.

A key moment for our work was the general election on the 4th July 2024 which saw the election of a new Government. Subsequently we updated our guidance papers on community wealth building for local councillors in the UK. In addition, we wrote a briefing paper for new MPs on community wealth building.

Community wealth building continues to be an overarching theme for our work in 2025/26 and we have continued to work hard to support local authorities and other organisations to develop and implement community wealth building in order to help rewire and relocalise economies.

Longer term strategic programmes of work

During 2024/25 we have also continued to develop and expand the number of longer term strategic programmes of work at CLES. These include:

Centre for Local Economic Strategies Limited

Trustees' Annual Report (Incorporating the Directors' Report)

- **Reclaiming our Regional Economies (RORE)** - funded by the National Lottery, Power to Change, Friends Provident, Barrow Cadbury and Friends Provident This project began in February 2022. CLES works in partnership with the New Economics Foundation, Centre for Thriving Places and Co-ops UK in three combined authority areas in England (South Yorkshire, West Midlands and the North East). The aim is to explore the role and delivery function of English devolution in delivering progressive economic development.

Impact: this programme of work has been successful in helping to influence the local growth plans of the combined authorities, particularly in the context of the Government's publication of a new Devolution Act. The RORE's work in supporting the engagement of local communities in people led policy has been an important opportunity to understand the continued challenges at a local level including cost of living and housing pressures. In addition, we have worked closely with our partners in combined authorities to provide new analysis and understanding of the social economy, a theme that will continue in the future years of the RORE.

- **Understanding Regional health inequalities** - funded by the Health Foundation and delivered in partnership with the Kings Fund. This was a new programme of work secured in 2023/24 which explores how to embed health and wealth within the context of English Devolution. The project looks particularly at the West Midlands, but the work has wider implications for the debate on English devolution. More on the launch of this project can be found on the CLES website.

Impact: This project is helping to create a new narrative for public policy makers on the close relationship between health and health investment alongside stronger local economies. It is also providing a blueprint about how health can be seen as an essential component of a strong thriving economy.

- **Friends Provident Foundation** - core funding grant. CLES benefitted from core grant funding from the Friends Provident Foundation during 2023/24 which enabled us to develop a new rebranding and website development project which we hope to launch next year.
- **Robertson Trust (Scotland)** - we were successful in securing a long term grant from the Robertson Trust to examine the progression economy. Specifically this project aims to pilot new ways of supporting employee progression in a range of organisations.

Impact: This project is beginning to provide new intelligence, insights and perspectives about progression which we hope will help to inform the piloting phase next year and inform the work of policy makers alongside employers in Scotland longer term.

Financial review

The financial figures for 2024/25 show that CLES made a surplus of £61,433 for the year (2023/24: Loss of £135,340).

At 30 June 2025 the charitable company holds reserves of £244,370 (2024: £182,937) of which £37,407 (2024: £4,015) are held in restricted funds. A further £4,539 (2024: £4,062) are held in tangible fixed assets, leaving £202,424 (2024: £174,860).

To monitor financial risks within the organisation, CLES continues to review its financial situation on a monthly basis the Senior Leadership Team and on a quarterly basis with the Board of Trustees and Directors.

Centre for Local Economic Strategies Limited

Trustees' Annual Report (Incorporating the Directors' Report)

Principal funding sources

CLES has a diversity of funding sources. This includes:

Grant awards from philanthropic funders, academic institutions and other funders who want to support CLES' charitable mission and ideas.

Commissioned activities from local government, which support the charitable aims and allow us to explore, develop and share practice amongst the wider community and public. This commissioned activities are secured both through commissioned tenders (where there is clear alignment with our mission and objectives) and proactively through organisations wanting us to directly support their efforts to deliver community wealth building and inclusive economic change.

We also receive donations in support of our events and speaking engagements

New relationships which cover different geographies and variants of the charities core charitable purposes are also actively pursued on an ongoing basis.

Risk management

The trustees and senior leadership team have a risk management strategy and approach which comprises:

- A regular review of finances through the Finance Committee of the Board of Trustees.
- The use of the in house CLES Planner to monitor income and capacity within the CLES team and regular discussions at weekly senior leadership and management meetings.
- A quarterly review of our financial position and reporting back at quarterly meetings of the Trustees.

We review cashflow on a monthly and quarterly basis and have an ongoing process of issuing sales invoices and proactive debt chasing. Trustees discuss the quarterly management accounts, and regular meetings and discussions take place separate to the formal board meetings. Key risks ahead include:

Changes in public sector expenditure: Given the profile of our income, much of which is with government organisations, our exposure to changes in public sector expenditure is a key risk factor for CLES. A key element of managing this risk, is a regular review of incoming resources, projected forward 18 months. In addition, we continue to explore ways to diversify our funding relationships so that they increasingly include philanthropic and civil society organisations as well as combined authorities. 2023/24 has seen a decrease in contract income which will be something we will be monitoring closely in 2024/25.

Economic and political context: As an organisation concerned with social justice and the economy, the political and policy context has a significant influence on our work and who funds it. 2023/24 was a year during which there was significant political and economic turbulence both in the UK and international and this has had a direct impact on our economic fortunes. This is a risk that is endemic to our business but looking forward there are reasons to be optimistic given the change in Government in the UK which has created new opportunities for research and advocacy to fulfil our charitable mission.

Staff recruitment and retention is a ongoing risk for CLES' work. The labour market for our work is highly competitive at the current time. CLES works hard to benchmark our salaries to ensure that they remain competitive alongside good terms and conditions, with opportunities for staff development. We also have become an accredited living hours and living wage employer and continue to implement a four day week.

Centre for Local Economic Strategies Limited

Trustees' Annual Report (Incorporating the Directors' Report)

Going concern

2024/25 has been a much more positive year for CLES and a surplus of £61,433 and the trustees consider that the charity has adequate resources to continue in operational existence for the foreseeable future.

The Board of Trustees, supported by the Finance Committee have reviewed the budget for the year ahead alongside the cash flow forecast and continue to monitor quarterly financial reports to ensure that we are on track for the year ahead. Trustees are also satisfied that work has been done to ensure that the Senior Leadership Team are continuing to monitor income and costs on a weekly and monthly basis.

As CLES has a range of different income sources and funding partners, we are working on an ongoing basis to evaluate new opportunities as they become available as well as proactively speaking to potential funders about our work and proposals for the future.

Given that there is a degree of uncertainty about the political and economic context in the UK, Trustees have also agreed to review our risk register as a standing item on our quarterly agenda and have instructed the senior leadership team to explore scenario planning for the future.

The Trustees supported the restructure of the organisation in 2024/25 and we feel that this has helped to stabilise the team and income generation but continue to work closely with the senior leadership team to monitor staffing resources and costs.

There are no material uncertainties about the Charity's ability to continue, therefore, the accounts have been prepared on a going concern basis.

Structure, governance and management

Nature of governing document

CLES is a company limited by guarantee governed by its memorandum and articles of association dated 28 June 2001, as amended by Special Resolution dated 16 December 2010 and 13 August 2012. The byelaws were amended on 7 May 2015.

Trustee recruitment and retireals

CLES has a well-established structure of governance, which has served the organisation effectively in recent years. In the last year there has been some movement in the Board and a process launched during 2022 to recruit new board members to the organisation. This process has been completed successfully and the new board members have now successfully completed their first year of service to the Board. The annual retireals meeting detailed in our governance document ensures a regular review of board membership.

Chief Executive

The day to day management of the organisation is delegated to the Chief Executive, Dr Sarah Longlands who works in partnership with the senior leadership teams to run the organisation.

Centre for Local Economic Strategies Limited

Trustees' Annual Report (Incorporating the Directors' Report)

Organisation of Board meetings

The full board of Trustees meets four times a year. Meetings concur with end of quarter financial work and reporting and usually last up to 2 ½ hours. They are usually hybrid meetings and are mainly held in Manchester with the option to join online (reflecting the geographical diversity of Trustees)

The Chair of Trustees meets regularly with the CEO on a one to one basis. In these meetings ongoing operational considerations are discussed, as well as longer term goals in relation to organisational objectives and business plan. The agenda and content for any forthcoming Board meetings are also discussed.

On occasion sub-committees are formed. These look at issues raised which need a deeper consideration. In 2023/24, a finance sub committee has been formed to oversee the budget setting process, preparation of annual accounts and the annual audit.

Non delegated authority includes Governance policy, staff terms and conditions, annual budget, remuneration of the CEO. Delegated areas include all areas of day to day operations, recruitment, remuneration of staff (excluding the CEO).

Pay and remuneration for senior staff

The CEO's pay and remuneration is decided by the Board. This takes place via an appraisal process, conducted by the Chair of the Board.

All other senior staff appraisals are conducted by the CEO and line managers, with recommendations going to the board for assessment in accordance with annual budget considerations and negotiations with the recognised Trade Union in line with CLES' recognition agreement with Unite.

Centre for Local Economic Strategies Limited

Trustees' Annual Report (Incorporating the Directors' Report)

Statement of Trustees' responsibilities

The Trustees (who are also the directors of Centre for Local Economic Strategies Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report (Incorporating the Directors' Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including its 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 apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102 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.

DocuSigned by:

Carolyn Wilkins

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C Wilkins

Trustee

26-Mar-2026

Centre for Local Economic Strategies Limited

Independent Auditor's Report to the Members of Centre for Local Economic Strategies Limited

Opinion

We have audited the financial statements of Centre for Local Economic Strategies Limited (the 'charitable company') for the year ended 30 June 2025, which comprise the Statement of Financial Activities (including Income and Expenditure Account and Statement of Total Recognised Gains and Losses), Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (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 30 June 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor 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 original financial statements were 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 Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

Centre for Local Economic Strategies Limited

Independent Auditor's Report to the Members of Centre for Local Economic Strategies Limited

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

We have nothing to report in this regard.

Opinion on other matter 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 (Incorporating the Directors' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report (Incorporating the Directors' Report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (Incorporating the Directors' 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 the prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the trustees' report and from the requirements to prepare strategic report.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' responsibilities (set out on page 8 and 9), the Trustees 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.

Centre for Local Economic Strategies Limited

Independent Auditor's Report to the Members of Centre for Local Economic Strategies Limited

Auditor 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws, regulations and guidance that affect the Charitable Company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws, regulations and guidance that we identified included the Companies Act 2006, tax legislation, and employment legislation
- We enquired of the Trustees and reviewed correspondence and Trustee meeting minute for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Trustees have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Trustees have in place to prevent and detect fraud. We enquired of the Trustees about any incidence of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks.
- We reviewed the financial statements disclosures and supporting documentation to assess compliance with relevant laws and regulations.
- We enquired of the Trustees about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of controls we tested the appropriateness of journal entries and assessed whether the judgments made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

Centre for Local Economic Strategies Limited

**Independent Auditor's Report to the Members of Centre for Local Economic Strategies
Limited**

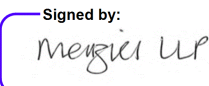
A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Centre for Local Economic Strategies Limited

Independent Auditor's Report to the Members of Centre for Local Economic Strategies Limited

Use of our report

This report is made solely to the charitable company's Trustees, 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 charitable company's Trustees 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 anyone other than the charitable company and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:

.....83F726A2B19FA26.....

Sue Hutchinson FCCA (Senior Statutory Auditor)
For and on behalf of:

Menzies LLP
Statutory Auditor
One Express
1 George Leigh Street
Manchester
M4 5DL

27-Mar-2026
Date:.....

Centre for Local Economic Strategies Limited

Statement of Financial Activities for the Year Ended 30 June 2025 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2025 £	Total 2024 £
Income and Endowments from:					
Donations and legacies	3	-	-	-	10,555
Charitable activities	4	706,536	526,303	1,232,839	1,085,730
Investment income	5	29	-	29	1,363
Total income		<u>706,565</u>	<u>526,303</u>	<u>1,232,868</u>	<u>1,097,648</u>
Expenditure on:					
Charitable activities	6	<u>(678,522)</u>	<u>(492,911)</u>	<u>(1,171,433)</u>	<u>(1,232,988)</u>
Total expenditure		<u>(678,522)</u>	<u>(492,911)</u>	<u>(1,171,433)</u>	<u>(1,232,988)</u>
Gains/losses on investment assets		<u>(2)</u>	<u>-</u>	<u>(2)</u>	<u>-</u>
Net income/(expenditure)		<u>28,041</u>	<u>33,392</u>	<u>61,433</u>	<u>(135,340)</u>
Net movement in funds		28,041	33,392	61,433	(135,340)
Reconciliation of funds					
Total funds brought forward		<u>178,922</u>	<u>4,015</u>	<u>182,937</u>	<u>318,277</u>
Total funds carried forward	21	<u><u>206,963</u></u>	<u><u>37,407</u></u>	<u><u>244,370</u></u>	<u><u>182,937</u></u>

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

The funds breakdown for 2024 is shown in note 21.

The notes on pages 18 to 34 form an integral part of these financial statements.

Centre for Local Economic Strategies Limited

(Registration number: 04242937)

Balance Sheet as at 30 June 2025

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	13	4,539	4,062
Investments	14	-	2
		<u>4,539</u>	<u>4,064</u>
Current assets			
Debtors	15	224,688	401,363
Cash at bank and in hand	16	<u>347,490</u>	<u>143,020</u>
		572,178	544,383
Creditors: Amounts falling due within one year	17	<u>(194,747)</u>	<u>(210,710)</u>
Net current assets		<u>377,431</u>	<u>333,673</u>
Total assets less current liabilities		381,970	337,737
Creditors: Amounts falling due after more than one year	18	<u>(137,600)</u>	<u>(154,800)</u>
Net assets		<u>244,370</u>	<u>182,937</u>
Funds of the charitable company:			
Restricted income funds			
Restricted funds	21	37,407	4,015
Unrestricted income funds			
Unrestricted funds		<u>206,963</u>	<u>178,922</u>
Total funds	21	<u>244,370</u>	<u>182,937</u>

The financial statements on pages 15 to 34 were approved by the Trustees, and authorised for issue on
and signed on their behalf by:

DocuSigned by:

Carolyn Wilkins

.....3BC501EA974D498.....

C Wilkins

Trustee

26-Mar-2026

The notes on pages 18 to 34 form an integral part of these financial statements.

Centre for Local Economic Strategies Limited

Statement of Cash Flows for the Year Ended 30 June 2025

	Note	2025 £	2024 £
Cash flows from operating activities			
Net cash income/(expenditure)		61,433	(135,340)
Adjustments to cash flows from non-cash items			
Depreciation		2,824	2,735
Investment income	5	<u>(29)</u>	<u>(1,363)</u>
		64,228	(133,968)
Working capital adjustments			
Decrease/(increase) in debtors	15	176,675	(92,315)
Decrease in creditors	17	(4,086)	(5,422)
(Decrease)/increase in deferred income	18	<u>(29,077)</u>	<u>6,009</u>
Net cash flows from operating activities		<u>207,740</u>	<u>(225,696)</u>
Cash flows from investing activities			
Interest receivable and similar income	5	29	1,363
Purchase of tangible fixed assets	13	(3,301)	(3,680)
Disposal of investments in subsidiary undertakings		<u>2</u>	<u>-</u>
Net cash flows from investing activities		<u>(3,270)</u>	<u>(2,317)</u>
Net increase/(decrease) in cash and cash equivalents		204,470	(228,013)
Cash and cash equivalents at 1 July		<u>143,020</u>	<u>371,033</u>
Cash and cash equivalents at 30 June		<u><u>347,490</u></u>	<u><u>143,020</u></u>

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

The notes on pages 18 to 34 form an integral part of these financial statements.

Centre for Local Economic Strategies Limited

Notes to the Financial Statements for the Year Ended 30 June 2025

1 Charitable company status

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

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

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

Centre for Local Economic Strategies Limited

Notes to the Financial Statements for the Year Ended 30 June 2025

Going concern

2024/25 has been a much more positive year for CLES and a surplus of £61,433 and the trustees consider that the charity has adequate resources to continue in operational existence for the foreseeable future.

The Board of Trustees, supported by the Finance Committee have reviewed the budget for the year ahead alongside the cash flow forecast and continue to monitor quarterly financial reports to ensure that we are on track for the year ahead. Trustees are also satisfied that work has been done to ensure that the Senior Leadership Team are continuing to monitor income and costs on a weekly and monthly basis.

As CLES has a range of different income sources and funding partners, we are working on an ongoing basis to evaluate new opportunities as they become available as well as proactively speaking to potential funders about our work and proposals for the future.

Given that there is a degree of uncertainty about the political and economic context in the UK, Trustees have also agreed to review our risk register as a standing item on our quarterly agenda and have instructed the senior leadership team to explore scenario planning for the future.

The Trustees supported the restructure of the organisation in 2024/25 and we feel that this has helped to stabilise the team and income generation but continue to work closely with the senior leadership team to monitor staffing resources and costs.

There are no material uncertainties about the Charity's ability to continue, therefore, the accounts have been prepared on a going concern basis.

There are also reasons to be optimistic based on our current and future pipeline of work which shows that as of the end of Quarter 1, we have obtained approximately 70% of funding for the year ahead suggesting that the market for our work has improved.

However, we will be working closely with the CLES team and Trustees to monitor costs and income on a regular basis in order to manage and mitigate these risks going forward.

There are no material uncertainties about the Charity's ability to continue, therefore, the accounts have been prepared on a going concern basis.

Judgements and estimates

The preparation of the financial statements requires management to make certain judgements, estimates and assumptions that affect the amounts reported for assets, liabilities, revenue, and expenditure. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The items in the financial statements where these judgments and estimates have been made include:

- Determining any necessary provision for bad or doubtful debts.
- Depreciation. Fixed assets are depreciated over an estimated useful economic life, considering residual values, where appropriate.
- Valuation of the provision needed for the pension liability.

Centre for Local Economic Strategies Limited

Notes to the Financial Statements for the Year Ended 30 June 2025

Income

All incoming resources are included in the Statement of Financial Activities when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. In the following circumstances, the income is deferred and included in other creditors:

- The income relates to a future accounting period
- A sales invoice has been raised ahead of the work being carried out and there is no contractual entitlement to the income until the work has been done.
- Not all the terms and conditions of the grant have been met, including the incurring of expenditure and the grant conditions are such that unspent grant must be refunded.

Donations

Donations from individuals and other bodies (not being of the nature of a grant) are recognised when receivable.

Grant income

Grants, whether of a capital or revenue nature, are recognised when the charity has entitlement to the funds, any performance conditions have been met and it is probable that the income will be received.

Earned income

Earned income is measured at the fair value of the consideration received or receivable for services and goods supplied, net of discounts and VAT.

Investment income

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

Expenditure

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

Charitable activities

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

Centre for Local Economic Strategies Limited

Notes to the Financial Statements for the Year Ended 30 June 2025

Taxation

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

Tangible fixed assets

Individual fixed assets costing £500.00 or more are initially recorded at cost.

Depreciation and amortisation

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

Asset class	Depreciation method and rate
Computer equipment	Over three years
Office equipment	Over five years

Fixed asset investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

Trade debtors

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

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charitable company will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

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

Centre for Local Economic Strategies Limited

Notes to the Financial Statements for the Year Ended 30 June 2025

Trade creditors

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

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Fund structure

Unrestricted income funds are general funds that are available for use at the Trustees discretion in furtherance of the objectives of the charitable company.

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

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charitable company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charitable company after deducting all of its liabilities.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charitable company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charitable company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charitable company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Centre for Local Economic Strategies Limited

Notes to the Financial Statements for the Year Ended 30 June 2025

3 Income from donations and legacies

	Total 2025 £	Total 2024 £
Donations and legacies;		
Donations from companies, trusts and similar proceeds	-	10,555
	-	10,555

4 Income from charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2025 £
Research and consultancy - Fees	598,600	-	598,600
Research and consultancy - Grants	69,690	526,303	595,993
Membership subscriptions	27,533	-	27,533
Events and publications	10,713	-	10,713
	<u>706,536</u>	<u>526,303</u>	<u>1,232,839</u>

	Unrestricted funds General £	Restricted funds £	Total 2024 £
Research and consultancy - Fees	651,353	-	651,353
Research and consultancy - Grants	61,583	310,517	372,100
Membership subscriptions	31,033	-	31,033
Events and publications	31,244	-	31,244
	<u>775,213</u>	<u>310,517</u>	<u>1,085,730</u>

5 Investment income

	Unrestricted funds General £	Total 2025 £	Total 2024 £
Interest receivable and similar income;			
Interest receivable on bank deposits	29	29	1,363

Centre for Local Economic Strategies Limited

Notes to the Financial Statements for the Year Ended 30 June 2025

6 Expenditure on charitable activities

	Direct costs	Direct salaries	Support costs	Total
	£	£	£	2025
				£
Research and consultancy	58,286	654,929	365,642	1,078,857
Membership subscriptions	-	5,729	46,815	52,544
Events and publications	6,286	10,339	23,407	40,032
	<u>64,572</u>	<u>670,997</u>	<u>435,864</u>	<u>1,171,433</u>

	Direct costs	Direct salaries	Support costs	Total
	£	£	£	2024
				£
Research and consultancy	105,228	678,848	337,334	1,121,410
Membership subscriptions	854	10,959	43,328	55,141
Events and publications	23,280	11,493	21,664	56,437
	<u>129,362</u>	<u>701,300</u>	<u>402,326</u>	<u>1,232,988</u>

Centre for Local Economic Strategies Limited

Notes to the Financial Statements for the Year Ended 30 June 2025

7 Analysis of support costs

Support costs allocated to charitable activities

	Research and consultancy £	Membership and subscriptions £	Events and publications £	Governance costs £	Total 2025 £
Salaries	196,397	26,904	13,452	32,284	269,037
Marketing costs	33,390	3,928	1,964	-	39,282
Establishments costs	35,664	4,196	2,098	-	41,958
Insurance	3,035	357	179	-	3,571
Legal and professional	5,721	673	337	-	6,731
Administration costs	33,392	3,928	1,964	-	39,284
Finance charges	3,058	360	180	-	3,598
Staff training and recruitment	14,974	1,762	881	-	17,617
Board expenses/meeting costs	-	-	-	827	827
Depreciation	2,401	282	141	-	2,824
Auditors fee	-	-	-	11,135	11,135
Allocation of governance costs	37,609	4,425	2,212	(44,246)	-
	<u>365,641</u>	<u>46,815</u>	<u>23,408</u>	<u>-</u>	<u>435,864</u>

	Research and consultancy £	Membership and subscriptions £	Events and publications £	Governance costs £	Total 2024 £
Salaries	188,293	25,794	12,897	30,952	257,936
Marketing costs	27,696	3,258	1,629	-	32,583
Establishments costs	27,184	3,198	1,599	-	31,981
Insurance	3,233	380	190	-	3,803
Legal and professional	10,970	1,291	645	-	12,906
Administration costs	25,312	2,978	1,489	-	29,779
Finance charges	5,668	667	333	-	6,668
Staff training and recruitment	11,530	1,356	678	-	13,564
Board expenses/meeting costs	-	-	-	267	267
Depreciation	2,325	274	137	-	2,736
Auditors fee	-	-	-	10,000	10,000
Allocation of governance costs	35,122	4,132	2,066	(41,219)	101
	<u>337,333</u>	<u>43,328</u>	<u>21,663</u>	<u>-</u>	<u>402,324</u>

Centre for Local Economic Strategies Limited

Notes to the Financial Statements for the Year Ended 30 June 2025

Basis of allocation

Reference	Method of allocation
Salaries	Estimate of time spent
Marketing costs	Estimate of usage (Net of any direct attribution)
Property costs	Estimate of usage
All other costs	Estimate of usage
Depreciation	Estimate of usage

8 Net (outgoing)/incoming resources

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

	2025	2024
	£	£
Operating leases - other assets	27,954	21,750
Audit fees	11,135	10,000
Other non-audit services	6,125	4,200
Depreciation of fixed assets	2,824	2,735

9 Trustees remuneration and expenses

No Trustees, nor any persons connected with them, have received any remuneration from the charitable company during the year (2024: £nil).

No trustees have received any reimbursed expenses or any other benefits from the charity during the year. During the previous year, the charity paid travel expenses to two trustees totalling £1,081.

Centre for Local Economic Strategies Limited

Notes to the Financial Statements for the Year Ended 30 June 2025

10 Staff costs

The aggregate payroll costs were as follows. The restructuring costs relate to a single member of management personnel and combine statutory and contractual obligations which were agreed and settled during the financial period.

	2025 £	2024 £
Staff costs during the year were:		
Wages and salaries	793,955	812,148
Social security costs	57,990	89,190
Pension costs	63,949	65,275
Restructuring costs	17,950	-
	<u>933,844</u>	<u>966,613</u>

Number of employees

The average number of employees during the year, calculated on the basis of full-time equivalent employees (FTE) and average headcount (HC) was as follows:

	2025 HC	2025 FTE	2024 HC	2024 FTE
	No	No	No	No
Employees	18	18	18	18
	<u>18</u>	<u>18</u>	<u>18</u>	<u>18</u>

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

	2025 No	2024 No
£60,001 - £70,000	1	2
£90,001 - £100,000	<u>1</u>	<u>1</u>

The total employee benefits of the key management personnel of the charitable company were £215,703 (2024 - £274,675).

11 Auditors' remuneration

	2025 £	2024 £
Audit fee	11,135	10,000
All other non-audit services	6,125	4,200
	<u>17,260</u>	<u>14,200</u>

Centre for Local Economic Strategies Limited

Notes to the Financial Statements for the Year Ended 30 June 2025

12 Taxation

The income and gains of the charitable company are exempt from taxation to the extent they are applied to its charitable activities.

13 Tangible fixed assets

	Leasehold improvements £	Office equipment £	Computer equipment £	Total £
Cost				
At 1 July 2024	2,655	3,735	35,893	42,283
Additions	-	-	3,301	3,301
At 30 June 2025	2,655	3,735	39,194	45,584
Depreciation				
At 1 July 2024	2,655	3,706	31,860	38,221
Charge for the year	-	29	2,795	2,824
At 30 June 2025	2,655	3,735	34,655	41,045
Net book value				
At 30 June 2025	-	-	4,539	4,539
At 30 June 2024	-	29	4,033	4,062

14 Fixed asset investments

	2025 £	2024 £
Shares in group undertakings and participating interests	-	2

During the year the subsidiary company, CLES European Research Network Limited, was dissolved. The loss on investments relates to this disposal.

15 Debtors

	2025 £	2024 £
Trade debtors	91,983	214,445
Prepayments	13,612	18,595
Accrued income	119,093	168,323
	224,688	401,363

Centre for Local Economic Strategies Limited

Notes to the Financial Statements for the Year Ended 30 June 2025

16 Cash and cash equivalents

	2025	2024
	£	£
Cash at bank	347,490	143,020

17 Creditors: amounts falling due within one year

	2025	2024
	£	£
Trade creditors	28,436	24,447
Other taxation and social security	44,381	44,454
Pension scheme creditor	17,200	17,200
Accruals	43,175	33,977
Deferred income	61,555	90,632
	<u>194,747</u>	<u>210,710</u>

	2025	2024
	£	£
Deferred income at 1 July 2024	90,632	84,623
Resources deferred in the period	(29,077)	6,009
Deferred income at year end	<u>61,555</u>	<u>90,632</u>

18 Creditors: amounts falling due after one year

	2025	2024
	£	£
Pension scheme creditor	<u>137,600</u>	<u>154,800</u>

Centre for Local Economic Strategies Limited

Notes to the Financial Statements for the Year Ended 30 June 2025

19 Obligations under leases and hire purchase contracts

Operating lease commitments

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

	2025 £	2024 £
Land and buildings		
Within one year	27,954	27,954
Between one and five years	71,438	99,392
	<u>99,392</u>	<u>127,346</u>

20 Pension and other schemes

Greater Manchester Pension Fund

In respect of certain long-standing employees, the charity participates in the Greater Manchester Pension Fund (GMPF), an independently administered defined benefit scheme which is externally funded and contracted out by the State Earnings Related Pension Scheme. THE GMPF is a multi-employer scheme, and in accordance with the guidance issued by the Charity Commission the charity accounts for those contributions as if it were a defined contribution scheme.

It has done so because it is unable to identify its share of the underlying assets and liabilities on a consistent and reasonable basis. Contributions are charged to the SOFA in the period in which they are payable. As there are now no active members of the GMPF, CLES has exited the scheme and the transfer of the liability has been agreed to repaid over ten years.

Employees are required to join a compulsory employer's contributory pension. The employer's contribution starts at the equivalent to 6% of their gross pa to the employees' stakeholder pension scheme, a money purchase scheme.

All pension contributions are charged to the SOFA in the year in which they are payable.

Centre for Local Economic Strategies Limited

Notes to the Financial Statements for the Year Ended 30 June 2025

21 Funds

	Balance at 1 July 2024 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 30 June 2025 £
Unrestricted funds					
<i>General</i>					
General funds	178,922	706,565	(678,522)	(2)	206,963
Restricted funds					
North Yorkshire	-	25,000	(25,000)	-	-
Robertson Trust	-	85,000	(47,593)	-	37,407
Birmingham City Council	-	46,667	(46,667)	-	-
Regional Action Plan	-	226,611	(226,611)	-	-
City REDI	-	44,983	(44,983)	-	-
Innovate	-	98,042	(98,042)	-	-
WMCA	4,015	-	(4,015)	-	-
Total restricted funds	4,015	526,303	(492,911)	-	37,407
Total funds	182,937	1,232,868	(1,171,433)	(2)	244,370
	Balance at 1 July 2023 £	Incoming resources £	Resources expended £		Balance at 30 June 2024 £
Unrestricted funds					
<i>General</i>					
General funds	318,277	787,131	(926,486)		178,922
Restricted					
NIHR Public Health Research Programme	-	1,148	(1,148)		-
Regional Action Plan	-	269,810	(269,810)		-
City REDI	-	18,301	(18,301)		-
Innovate	-	9,175	(9,175)		-
WMCA	-	12,083	(8,068)		4,015
Total restricted funds	-	310,517	(306,502)		4,015
Total funds	318,277	1,097,648	(1,232,988)		182,937

Centre for Local Economic Strategies Limited

Notes to the Financial Statements for the Year Ended 30 June 2025

Description of Restricted Funds

Scottish Government

Secondment to the Scottish Government to support the development of Community Wealth Building in a Scottish context.

Power to Change

Funding directly via OSF as a legacy funding arrangement as they withdrew from the UK.

NIHR

Public Health research programme

LGIU

Future of economic development

Alex Ferry Foundation

Research into Freeports policy in England.

Columbia Threadneedle

Investigation into women's experience of the economy in Leeds.

Regional Action Plan

Action plan for a new economy

Barrow Cadbury - Anchor Network

Network facilitation

City REDI

Local Policy Innovation Partnership (LPIP) Co-ordinating Hub is hosted by City-REDI at the University of Birmingham, doing place-based research.

Innovate

Oldham Green New Deal Delivery Partnership will focus on delivering the low carbon infrastructure Oldham needs to get to Net Zero

WMCA

Secondment to West Midlands Combined Authority to lead on community wealth building in the West Midlands

Centre for Local Economic Strategies Limited

Notes to the Financial Statements for the Year Ended 30 June 2025

22 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds at 30 June 2025 £
Tangible fixed assets	4,539	-	4,539
Current assets	534,771	37,407	572,178
Current liabilities	(194,747)	-	(194,747)
Creditors over 1 year	(137,600)	-	(137,600)
Total net assets	<u>206,963</u>	<u>37,407</u>	<u>244,370</u>
	Unrestricted funds General £	Restricted funds £	Total funds at 30 June 2024 £
Tangible fixed assets	4,062	-	4,062
Fixed asset investments	2	-	2
Current assets	540,368	4,015	544,383
Current liabilities	(210,710)	-	(210,710)
Creditors over 1 year	(154,800)	-	(154,800)
Total net assets	<u>178,922</u>	<u>4,015</u>	<u>182,937</u>

23 Analysis of net funds

	At 1 July 2024 £	Financing cash flows £	At 30 June 2025 £
Cash at bank and in hand	143,020	204,470	347,490
Net debt	<u>143,020</u>	<u>204,470</u>	<u>347,490</u>
	At 1 July 2023 £	Financing cash flows £	At 30 June 2024 £
Cash at bank and in hand	371,033	(228,013)	143,020
Net debt	<u>371,033</u>	<u>(228,013)</u>	<u>143,020</u>

24 Related party transactions

There were no related party transactions in the year.

Centre for Local Economic Strategies Limited

Notes to the Financial Statements for the Year Ended 30 June 2025

25 Prior year Statement of Financial Activities

	Unrestricted funds £	Restricted funds £	Total 2024 £
Income and Endowments from:			
Donations and legacies	10,555	-	10,555
Charitable activities	775,213	310,517	1,085,730
Investment income	1,363	-	1,363
	<u>787,131</u>	<u>310,517</u>	<u>1,097,648</u>
Total income			
Expenditure on:			
Charitable activities	(926,486)	(306,502)	(1,232,988)
Total expenditure	<u>(926,486)</u>	<u>(306,502)</u>	<u>(1,232,988)</u>
Net (expenditure)/income	<u>(139,355)</u>	<u>4,015</u>	<u>(135,340)</u>
Net movement in funds	(139,355)	4,015	(135,340)
Reconciliation of funds			
Total funds brought forward	<u>318,277</u>	<u>-</u>	<u>318,277</u>
Total funds carried forward	<u><u>178,922</u></u>	<u><u>4,015</u></u>	<u><u>182,937</u></u>

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

England & Wales - Charity number 1089503

Accounts

Company registration number: 04242937

Charity registration number: 1089503

Centre for Local Economic Strategies Limited

known as

CLES Limited

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 30 June 2024

Beever and Struthers
Statutory Auditor
One Express
1 George Leigh Street
Manchester
M4 5DL

Centre for Local Economic Strategies Limited

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Centre for Local Economic Strategies Limited

Reference and Administrative Details

Trustees	C Wilkins Cllr P Dennett N Bolger A Donald Cllr D P Meller Cllr B Craig R Deegan H Thomas J Dromey S Halliwell
Secretary	S L Longlands
Senior Leadership Team:	
Chief Executive Officer	S L Longlands
Other Members of the Team	T Lloyd Goodwin S MacDonald
Charity Registration Number	1089503
Company Registration Number	04242937
Principal and Registered Office	52 Oak Street Swan Square Manchester M4 5JA
Auditor	Beever and Struthers Statutory Auditor One Express 1 George Leigh Street Manchester M4 5DL
Solicitors:	Bates, Wells & Briathwaite 61 Charterhouse Street London EC1M 6HA
Bankers	Co-operative Bank PLC 1 Balloon Street Manchester M60 4EP

Centre for Local Economic Strategies Limited

Trustees' Annual Report (Incorporating the Directors' Report)

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 30 June 2024.

Objectives and activities

Objects and aims

The objectives of the Charity are to:

- Educate the public by exclusively charitable means and in particular to promote, encourage and conduct research into subjects connected with the formulation, direction, organisation, administration and effects of economic, fiscal, regeneration and employment policies and initiatives in the United Kingdom whether on a local, regional or national level and all related subjects and disciplines including those of an international character and to publish the useful results of such research.
- Promote sustainable development for the public benefit, by promoting sustainable means of achieving local economic growth and regeneration.
- Promote the effectiveness and efficiency of the charitable and voluntary sector for the public benefit by providing advice, information, training and seminars on subjects related to the contribution made by the charitable and voluntary sector to the creation and development of local communities and places.

In shaping our objectives for the year and planning our activities, we have been informed by the Charity Commission guidance on public benefit and many of our publications and activity is free to view and download

Mission and Aims

Established in 1986, CLES is a Manchester based charity working towards a future where local economies benefit people, place and the planet. This will happen when wealth and power serve local people, rather than the other way around, enabling communities to flourish. We have an international reputation for our pioneering work on community wealth building and are recognised as the curators of the movement in the UK.

We act as a critical friend to local places helping to bring anchor organisations together, connect them to local economies and together devise solutions and deliver change. We use this experience of delivering change on the ground to advocate for change nationally. We do this in a number of ways.

- Act as a champion for radical economic change for places and communities experiencing social, economic, and environmental inequality.
- Work to improve the effectiveness of local state organisations including Councils and Health organisations as well as agencies and organisations in addressing these problems by developing practice and informing policy locally and nationally.
- Develop skills and ideas of public officials who should, as far as possible, reflect the diverse communities in which they serve.
- Inform and educate the public and stakeholders about the value and benefits to local economies of high-quality public services, this includes publishing and distribution of pamphlets, reports, leaflets, journals, films, and instructional matter on any medium.
- Promote, encourage, carry out or commission research, surveys, studies or other work, making the useful results available.
- Organise and assist in the provision of conferences, training, facilitated workshops and other educational activities.

Public benefit

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Centre for Local Economic Strategies Limited

Trustees' Annual Report (Incorporating the Directors' Report)

Although most of the charity's work is undertaken through paid assignments, clients are willing to allow the results of the work to be more widely disseminated so as to the benefit of the public. In focusing its efforts in particular work areas CLES takes account of the relative public benefit expected to flow from work, as well as considering the financial viability of the activities.

Review of the year - Highlights and impact of 2023/24

During 2023/24 CLES work covered a range of key policy areas and topics in line with our charitable purpose and mission. Some of the key highlights included:

- Worked on 27 projects including commissioned and grant funded work with more than 35 partners across the UK and Ireland. These projects included the development of community wealth building plans, social value frameworks, procurement, employment and progression, regional economic development and local government finance. Contract income during 2023/24 was down on previous years whilst the proportion of our income from grants increased.
- We held our annual community wealth building summit in Manchester in November 2023 which attracted more than 150 delegates from local places across England, Scotland, Wales, Ireland and internationally. The focus was on community wealth building in the context of a broken economic model and was supported through sponsorship from Power to Change, Barrow Cadbury, Anthony Collins, Metropolis at Manchester Metropolitan University and the Democracy Collaborative. The report on the need for a new direction in local economic development - *This must be the place* - was published to coincide with the event
- We participated in the party conferences with fringe events at The Conservative, Labour, and the Scottish National Party Conferences in the Autumn of 2023.
- We published 10 new reports and briefing papers on our website including work on freeports, economic development, levelling up and gender equality in local economies. The CLES team have worked hard to disseminate findings from our research and to influence the wider policy debate including authoring more than 20 blogs, comment and opinion pieces in a range of national and trade press publications including The Guardian, The New Statesman, The Municipal Journal and the Local Government Chronicle. We were also invited to contribute to a range of national debates via broadcast media including LBC Radio, BBC Radio Manchester and the BBC Politics Show North West.

In the latter part of 2023/24 a general election was announced for the 4th July 2024. Therefore we used the findings and evidence of what works from our projects and programmes to publish a manifesto with the aim of inviting all political parties to rediscover the power of local and take six bold actions to harness the power of local to deliver economic change:

1. Reverse austerity, power local economies
2. Reframe devolution
3. Make wealth building everyone's business
4. Empower places to lead climate action
5. Power up local employment pathways

Subsequently we also updated our guidance papers on community wealth building for local councillors and MPs in the UK.

Centre for Local Economic Strategies Limited

Trustees' Annual Report (Incorporating the Directors' Report)

- (1) **London Borough of Barnet:** The London Borough of Barnet Council sought to further develop their Community Wealth Building approach for the borough's local economy. CLES were commissioned by the London Borough of Barnet to better understand how wealth flows around the borough and how this wealth can be harnessed to take on some of the challenges facing Barnet residents across the borough. In particular, the Council sought to understand:
 - what Barnet's residents want from a Community Wealth Building approach - via the recruitment of up to six community-based researchers to understand pressing issues facing residents across Barnet
 - how and where wealth flows and grows within the Borough - via analysis of data on local growth, land and property, business ownership and income inequality
 - the Council's spend profile, the existing local business base and where spend could be redirected locally - via analysis of Barnet Council's procurement data for spend analysis by geography, sector, and supplier type -
 - what steps toward more progressive procurement practices can the procurement team take forward - via socialising findings from stages 1-3 and conducting workshops focused on education and priority setting

This work has resulted in a new approach to social value within the Borough and some clear recommendations about how to improve wealth flows for communities in the longer term.
- (2) **Colegau Cymru:** This project drew on CLES' knowledge of community wealth building and social value to work with Cwmpass to explore social value within the Further Education (FE) sector in Wales, a topic largely unexplored until now. It delved into understanding how FE institutions in Wales contribute to societal well-being beyond their traditional educational roles. The research adopted a comprehensive methodology involving examining strategic drivers, conducting stakeholder interviews, and reviewing existing literature, the study aimed to shed light on the multifaceted ways in which FE institutions generate social value. Through an in-depth exploration of social value, the study concluded with actionable recommendations that can inform strategic decision-making and enhance the overall effectiveness of FE institutions in contributing to the betterment of society. The report and approach were adopted by Colegau Cymru.
- (3) **London Borough of Islington:** One of our objectives in 2023/24 was to expand our work on planning and community wealth building. To this end, we worked with Islington Borough Council to explore how planning can be used to actively build wealth and social value for local businesses and communities within the current system. This included desk review and a round table discussion with key stakeholders to debate the opportunities to push for better outcomes within the existing system as well as to identify the key barriers which block progress and highlight where further policy change is needed particularly in the context of a forthcoming general election where planning was a key areas of discussion nationally.
- (4) **London Borough of Brent** An introductory workshop to community wealth building. This covered theory and practical examples of how community wealth building is being used to create more inclusive and healthier economies. It also provided a deep dive into procurement and social value to help Brent discover the economic and social value of adopting a community wealth building approach. This has encouraged the Council to included community wealth building into its newly published Corporate Plan.

Centre for Local Economic Strategies Limited

Trustees' Annual Report (Incorporating the Directors' Report)

- (5) **Stroud District Council:** CLES have been working with Stroud District Council to develop their community wealth building ambition. The primary objectives of this work have been to:

- Develop a thorough understanding of how community wealth building is understood within the Council and the progress made to date across the five key areas of employment, spend, land/assets, ownership and finance.
- Explore how the Council could go further to build on the work that has been done to date and increase the positive impact of community wealth building for the local economy.
- Understand how progress on community wealth building can move beyond the Council to local communities, including participation with the many community and voluntary organisations across the area.

The report from this work was presented to full Council and there is now agreement to move forward with the implementation of the plan through a cross departmental working group which CLES will support into 2024/25

Longer term strategic programmes of work

During 2023/24 we have also continued to develop and expand the number of longer term strategic programmes of work at CLES. These include:

- **Reclaiming our Regional Economies (RORE)** - funded by the National Lottery, Power to Change, Friends Provident, Barrow Cadbury and Friends Provident. This project began in February 2022. CLES works in partnership with the New Economics Foundation, Centre for Thriving Places and Co-ops UK in three combined authority areas in England (South Yorkshire, West Midlands and the North East). The aim is to explore the role and delivery function of English devolution in delivering progressive economic development. A new report based on the findings of the RORE to date was published this year ahead of the UK General Election.
- **Implementation of community wealth building in Dublin City Council** - this programme of work has been expanded in 2023/24 and means that CLES is continuing to work with senior staff at the Council to implement the social value framework, develop the city's anchor network and continue to explore how community wealth building approaches to employment and place can be implemented. As part of this work, a new community wealth building guide for Councillors in Ireland was published.
- **Understanding Regional health inequalities** - funded by the Health Foundation and delivered in partnership with the Kings Fund. This was a new programme of work secured in 2023/24 which explores how to embed health and wealth within the context of English Devolution. The project looks particularly at the West Midlands, but the work has wider implications for the debate on English devolution. More on the launch of this project can be found on the CLES website.
- **Friends Provident Foundation** - core funding grant. CLES benefitted from core grant funding from the Friends Provident Foundation during 2023/24 which enabled us to continue our work to deliver communities of practice with key stakeholders in community wealth building. It also supported our work on community wealth building and the environmental crisis contributing to the publication of a new report on climate and local action.

Centre for Local Economic Strategies Limited

Trustees' Annual Report (Incorporating the Directors' Report)

Financial review

The financial figures for 2023/24 show that CLES made a loss of £135,340.

This is set against a forecast surplus of a £88,000. At 30 June 2024 the Group holds £182,937 (2023: £318,277) in reserves, of which £4,015 (2023: £nil) are restricted. A further £4,062 (2023: £3,117) are represented by tangible fixed assets, leaving £174,860 (2023: £315,160) in free reserves

To monitor financial risks within the organisation, CLES continues to regularly review its financial situation on monthly basis within the Senior Leadership Team and on a quarterly basis with the Board of Trustees and Directors.

Principal funding sources

CLES has a diversity of funding sources. This includes:

Grant awards from philanthropic funders, academic institutions and other funders who want to support CLES' charitable mission and ideas.

Commissioned activities from local government, which support the charitable aims and allow us to explore, develop and share practice amongst the wider community and public. This commissioned activities are secured both through commissioned tenders (where there is clear alignment with our mission and objectives) and proactively through organisations wanting us to directly support their efforts to deliver community wealth building and inclusive economic change.

We also receive donations in support of our events and speaking engagements

New relationships which cover different geographies and variants of the charities core charitable purposes are also actively pursued on an ongoing basis.

Risk management

The trustees and senior leadership team have a risk management strategy and approach which comprises:

- A regular review of finances through the Finance Committee of the Board of Trustees.
- The use of the in house CLES Planner to monitor income and capacity within the CLES team and regular discussions at weekly senior leadership and management meetings.
- A quarterly review of our financial position and reporting back at quarterly meetings of the Trustees.

We review cashflow on a monthly and quarterly basis and have an ongoing process of issuing sales invoices and proactive debt chasing. Trustees discuss the quarterly management accounts, and regular meetings and discussions take place separate to the formal board meetings. Key risks ahead include:

Changes in public sector expenditure: Given the profile of our income, much of which is with government organisations, our exposure to changes in public sector expenditure is a key risk factor for CLES. A key element of managing this risk, is a regular review of incoming resources, projected forward 18 months. In addition, we continue to explore ways to diversify our funding relationships so that they increasingly include philanthropic and civil society organisations as well as combined authorities. 2023/24 has seen a decrease in contract income which will be something we will be monitoring closely in 2024/25.

Centre for Local Economic Strategies Limited

Trustees' Annual Report (Incorporating the Directors' Report)

Economic and political context: As an organisation concerned with social justice and the economy, the political and policy context has a significant influence on our work and who funds it. 2023/24 was a year during which there was significant political and economic turbulence both in the UK and international and this has had a direct impact on our economic fortunes. This is a risk that is endemic to our business but looking forward there are reasons to be optimistic given the change in Government in the UK which has created new opportunities for research and advocacy to fulfil our charitable mission.

Staff recruitment and retention is a ongoing risk for CLES' work. The labour market for our work is highly competitive at the current time. CLES works hard to benchmark our salaries to ensure that they remain competitive alongside good terms and conditions, with opportunities for staff development. We also have become an accredited living hours and living wage employer and continue to implement a four day week.

Going concern

2023/24 has been a challenging year for CLES with a £135k deficit. This has been as a result of a fall in contract income, particularly in Quarters 1 and 2 of the previous 12 months; combined with greater than usual uncertainty within the political and economic context in the UK in the months which preceded the general election on 4 July 2024.

However, there are reasons to be optimistic about the future economic position of the organisation. The Trustees and Senior Management team have taken steps to reduce costs through a restructure of the senior management team and by identifying potential savings in other parts of the organisation's budget. In addition, the wider political and economic context for our work has changed substantially with the arrival of the new UK Government. This has created significantly more favourable market conditions for our work and enabled us to pursue new opportunities to fulfil our charitable mission. We have also restructured the wider CLES team providing a stronger organising logic for how we work together, part of the rationale for which is to enable greater collaboration on income generation and delivery.

There are also reasons to be optimistic based on our current and future pipeline of work which shows that as of the end of Quarter 1, we have obtained approximately 70% of funding for the year ahead suggesting that the market for our work has improved.

However, we will be working closely with the CLES team and Trustees to monitor costs and income on a regular basis in order to manage and mitigate these risks going forward.

There are no material uncertainties about the Charity's ability to continue, therefore, the accounts have been prepared on a going concern basis.

Structure, governance and management

Nature of governing document

CLES is a company limited by guarantee governed by its memorandum and articles of association dated 28 June 2001, as amended by Special Resolution dated 16 December 2010 and 13 August 2012. The byelaws were amended on 7 May 2015.

Trustee recruitment and retirements

CLES has a well-established structure of governance, which has served the organisation effectively in recent years. In the last year there has been some movement in the Board and a process launched during 2022 to recruit new board members to the organisation. This process has been completed successfully and the new board members have now successfully completed their first year of service to the Board. The annual retirements meeting detailed in our governance document ensures a regular review of board membership.

Centre for Local Economic Strategies Limited

Trustees' Annual Report (Incorporating the Directors' Report)

Chief Executive

The day to day management of the organisation is delegated to the Chief Executive, Dr Sarah Longlands who works in partnership with the senior leadership teams to run the organisation.

Organisation of Board meetings

The full board of Trustees meets four times a year. Meetings concur with end of quarter financial work and reporting and usually last up to 2 ½ hours. They are usually hybrid meetings and are mainly held in Manchester with the option to join online (reflecting the geographical diversity of Trustees)

The CEO meets with the Chair in regular 1 to 1's on at least a monthly basis. In these meetings ongoing operational considerations are discussed, as well as longer term goals in relation to organisational objectives and business plan. The agenda and content for any forthcoming Board meetings are also discussed.

On occasion sub-committees are formed. These look at issues raised which need a deeper consideration. In 2023/24, a finance sub committee has been formed to oversee the budget setting process, preparation of annual accounts and the annual audit.

Non delegated authority includes Governance policy, staff terms and conditions, annual budget, remuneration of the CEO. Delegated areas include all areas of day to day operations, recruitment, remuneration of staff (excluding the CEO).

Pay and remuneration for senior staff

The CEO's pay and remuneration is decided by the Board. This takes place via an appraisal process, conducted by the Chair of the Board.

All other senior staff appraisals are conducted by the CEO and line managers, with recommendations going to the board for assessment in accordance with annual budget considerations and negotiations with the recognised Trade Union in line with CLES' recognition agreement with Unite.

Statement of trustees' responsibilities

The trustees (who are also the directors of Centre for Local Economic Strategies Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report (Incorporating the Directors' Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The report and accounts have been prepared in accordance with the provisions in the Companies Act 2006 relating to small companies.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including its 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 apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and

Centre for Local Economic Strategies Limited

Trustees' Annual Report (Incorporating the Directors' Report)

- 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 can 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.

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

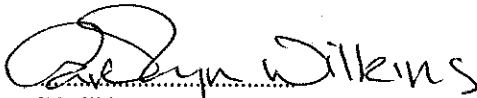
Disclosure of information to auditor

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

Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

The annual report was approved by the trustees of the charity on 4 Dec 2011 and signed on its behalf by:



C Wilkins
Trustee

Centre for Local Economic Strategies Limited

Independent Auditor's Report to the Members of Centre for Local Economic Strategies Limited

Opinion

We have audited the financial statements of Centre for Local Economic Strategies Limited (the 'charity') for the year ended 30 June 2024, which comprise the Statement of Financial Activities (including Income and Expenditure Account), Balance Sheet, Statement of Cash Flows, 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 United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 June 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 the provisions available for small entities, in the circumstances set out in note to the financial statements, 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 charity's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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 trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

Centre for Local Economic Strategies Limited

Independent Auditor's Report to the Members of Centre for Local Economic Strategies Limited

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

We have nothing to report in this regard.

Opinion on other matter 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 (Incorporating the Directors' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report (Incorporating the Directors' Report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (Incorporating the Directors' 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 the prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the trustees' report and from the requirements to prepare strategic report.

Responsibilities of trustees

As explained more fully in the Statement of trustees' responsibilities (set out on page 8 and 9), the trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Centre for Local Economic Strategies Limited

Independent Auditor's Report to the Members of Centre for Local Economic Strategies Limited

Auditor 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws, regulations and guidance that affect the Charitable Company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws, regulations and guidance that we identified included the Companies Act 2006, tax legislation, health and safety legislation and employment legislation.
- We enquired of the Trustees and reviewed correspondence and Trustee meeting minute for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Trustees have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Trustees have in place to prevent and detect fraud. We enquired of the Trustees about any incidence of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks.
- We reviewed the financial statements disclosures and supporting documentation to assess compliance with relevant laws and regulations.
- We enquired of the Trustees about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of controls we tested the appropriateness of journal entries and assessed whether the judgments made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

Centre for Local Economic Strategies Limited

Independent Auditor's Report to the Members of Centre for Local Economic Strategies Limited

Use of our report

This report is made solely to the charitable company's trustees, 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 charity's trustees 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 anyone other than the charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Beever and Struthers

.....
Sue Hutchinson FCCA (Senior Statutory Auditor)
For and on behalf of Beever and Struthers, Statutory Auditor

One Express
1 George Leigh Street
Manchester
M4 5DL

Date: 16 December 2024

Centre for Local Economic Strategies Limited

Statement of Financial Activities for the Year Ended 30 June 2024 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
Income and Endowments from:					
Donations and legacies	3	10,555	-	10,555	-
Charitable activities	4	775,213	310,517	1,085,730	1,241,973
Investment income	5	1,363	-	1,363	-
Total income		<u>787,131</u>	<u>310,517</u>	<u>1,097,648</u>	<u>1,241,973</u>
Expenditure on:					
Charitable activities	6	<u>(926,486)</u>	<u>(306,502)</u>	<u>(1,232,988)</u>	<u>(1,113,322)</u>
Total expenditure		<u>(926,486)</u>	<u>(306,502)</u>	<u>(1,232,988)</u>	<u>(1,113,322)</u>
Net (expenditure)/income		<u>(139,355)</u>	<u>4,015</u>	<u>(135,340)</u>	<u>128,651</u>
Net movement in funds		(139,355)	4,015	(135,340)	128,651
Reconciliation of funds					
Total funds brought forward		<u>318,277</u>	<u>-</u>	<u>318,277</u>	<u>189,626</u>
Total funds carried forward	21	<u><u>178,922</u></u>	<u><u>4,015</u></u>	<u><u>182,937</u></u>	<u><u>318,277</u></u>

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

The funds breakdown for 2023 is shown in note 21.

The notes on pages 17 to 32 form an integral part of these financial statements.

Centre for Local Economic Strategies Limited

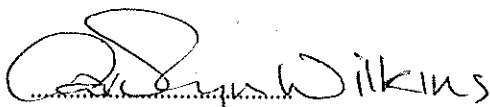
(Registration number: 04242937)

Balance Sheet as at 30 June 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	13	4,062	3,117
Investments	14	<u>2</u>	<u>2</u>
		<u>4,064</u>	<u>3,119</u>
Current assets			
Debtors	15	401,363	309,048
Cash at bank and in hand	16	<u>143,020</u>	<u>371,033</u>
		544,383	680,081
Creditors: Amounts falling due within one year	17	<u>(210,710)</u>	<u>(364,923)</u>
Net current assets		<u>333,673</u>	<u>315,158</u>
Total assets less current liabilities		337,737	318,277
Creditors: Amounts falling due after more than one year	18	<u>(154,800)</u>	<u>-</u>
Net assets		<u>182,937</u>	<u>318,277</u>
Funds of the charity:			
Restricted income funds			
Restricted funds	21	4,015	-
Unrestricted income funds			
Unrestricted funds		<u>178,922</u>	<u>318,277</u>
Total funds	21	<u>182,937</u>	<u>318,277</u>

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

The financial statements on pages 14 to 32 were approved by the trustees, and authorised for issue on 4/12/24, and signed on their behalf by:


C Wilkins
Trustee

The notes on pages 17 to 32 form an integral part of these financial statements.

Centre for Local Economic Strategies Limited

Statement of Cash Flows for the Year Ended 30 June 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash (expenditure)/income		(135,340)	128,651
Adjustments to cash flows from non-cash items			
Depreciation		2,735	4,760
Investment income	5	<u>(1,363)</u>	<u>-</u>
		(133,968)	133,411
Working capital adjustments			
Increase in debtors	15	(92,315)	(57,622)
Decrease in creditors	17	(5,422)	(74,507)
Increase in deferred income	18	<u>6,009</u>	<u>84,623</u>
Net cash flows from operating activities		<u>(225,696)</u>	<u>85,905</u>
Cash flows from investing activities			
Interest receivable and similar income	5	1,363	-
Purchase of tangible fixed assets	13	<u>(3,680)</u>	<u>(2,201)</u>
Net cash flows from investing activities		<u>(2,317)</u>	<u>(2,201)</u>
Net (decrease)/increase in cash and cash equivalents		(228,013)	83,704
Cash and cash equivalents at 1 July		<u>371,033</u>	<u>287,329</u>
Cash and cash equivalents at 30 June		<u><u>143,020</u></u>	<u><u>371,033</u></u>

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

The notes on pages 17 to 32 form an integral part of these financial statements.

Centre for Local Economic Strategies Limited

Notes to the Financial Statements for the Year Ended 30 June 2024

1 Charity status

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

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

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

Going concern

2023/24 has been a challenging year for CLES with a £135k deficit. This has been as a result of a fall in contract income, particularly in Quarters 1 and 2 of the previous 12 months; combined with greater than usual uncertainty within the political and economic context in the UK in the months which preceded the general election on July 2024.

However, there are reasons to be optimistic about the future economic position of the organisation. The Trustees and Senior Management team have taken steps to reduce costs through a restructure of the senior management team and by identifying potential savings in other parts of the organisation's budget. In addition, the wider political and economic context for our work has changed substantially with the arrival of the new UK Government. This has created significantly more favourable market conditions for our work and enabled us to pursue new opportunities to fulfil our charitable mission. We have also restructured the wider CLES team providing a stronger organising logic for how we work together, part of the rationale for which is to enable greater collaboration on income generation and delivery.

There are also reasons to be optimistic based on our current and future pipeline of work which shows that as of the end of Quarter 1, we have obtained approximately 70% of funding for the year ahead suggesting that the market for our work has improved.

However, we will be working closely with the CLES team and Trustees to monitor costs and income on a regular basis in order to manage and mitigate these risks going forward.

There are no material uncertainties about the Charity's ability to continue, therefore, the accounts have been prepared on a going concern basis.

Centre for Local Economic Strategies Limited

Notes to the Financial Statements for the Year Ended 30 June 2024

Judgements and estimates

The preparation of the financial statements requires management to make certain judgements, estimates and assumptions that affect the amounts reported for assets, liabilities, revenue, and expenditure. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The items in the financial statements where these judgments and estimates have been made include:

- Determining any necessary provision for bad or doubtful debts.
- Depreciation. Fixed assets are depreciated over an estimated useful economic life, considering residual values, where appropriate.
- Valuation of the provision needed for the pension liability.

Income

All incoming resources are included in the Statement of Financial Activities when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. In the following circumstances, the income is deferred and included in other creditors:

- The income relates to a future accounting period
- A sales invoice has been raised ahead of the work being carried out and there is no contractual entitlement to the income until the work has been done.
- Not all the terms and conditions of the grant have been met, including the incurring of expenditure and the grant conditions are such that unspent grant must be refunded.

Donations

Donations from individuals and other bodies (not being of the nature of a grant) are recognised when receivable.

Grant income

Grants, whether of a capital or revenue nature, are recognised when the charity has entitlement to the funds, any performance conditions have been met and it is probable that the income will be received.

Earned income

Earned income is measured at the fair value of the consideration received or receivable for services and goods supplied, net of discounts and VAT.

Investment income

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

Expenditure

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

Centre for Local Economic Strategies Limited

Notes to the Financial Statements for the Year Ended 30 June 2024

Charitable activities

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

Taxation

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

Tangible fixed assets

Individual fixed assets costing £500.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

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

Fixed asset investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

Trade debtors

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

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

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

Centre for Local Economic Strategies Limited

Notes to the Financial Statements for the Year Ended 30 June 2024

Trade creditors

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

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Fund structure

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

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

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Centre for Local Economic Strategies Limited

Notes to the Financial Statements for the Year Ended 30 June 2024

3 Income from donations and legacies

	Unrestricted funds General £	Total 2024 £	Total 2023 £
Donations and legacies;			
Donations from companies, trusts and similar proceeds	10,555	10,555	-
	<u>10,555</u>	<u>10,555</u>	<u>-</u>

4 Income from charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2024 £
Research and consultancy - Fees	651,353	-	651,353
Research and consultancy - Grants	61,583	310,517	372,100
Membership subscriptions	31,033	-	31,033
Events and publications	31,244	-	31,244
	<u>775,213</u>	<u>310,517</u>	<u>1,085,730</u>

	Unrestricted funds General £	Restricted funds £	Total 2023 £
Research and consultancy - Fees	744,358	-	744,358
Research and consultancy - Grants	55,221	376,704	431,925
Membership subscriptions	34,533	-	34,533
Events and publications	31,157	-	31,157
	<u>865,269</u>	<u>376,704</u>	<u>1,241,973</u>

5 Investment income

	Unrestricted funds General £	Total 2024 £	Total 2023 £
Interest receivable and similar income;			
Interest receivable on bank deposits	1,363	1,363	-
	<u>1,363</u>	<u>1,363</u>	<u>-</u>

Centre for Local Economic Strategies Limited

Notes to the Financial Statements for the Year Ended 30 June 2024

6 Expenditure on charitable activities

	Direct costs	Direct salaries	Support costs	Total
	£	£	£	2024
				£
Research and consultancy	105,228	678,848	337,334	1,121,410
Membership subscriptions	854	10,959	43,328	55,141
Events and publications	23,280	11,493	21,664	56,437
	<u>129,362</u>	<u>701,300</u>	<u>402,326</u>	<u>1,232,988</u>

	Direct costs	Direct salaries	Support costs	Total
	£	£	£	2023
				£
Research and consultancy	56,085	599,356	340,911	996,352
Membership subscriptions	-	10,365	43,480	53,845
Events and publications	25,128	16,257	21,740	63,125
	<u>81,213</u>	<u>625,978</u>	<u>406,131</u>	<u>1,113,322</u>

Centre for Local Economic Strategies Limited

Notes to the Financial Statements for the Year Ended 30 June 2024

7 Analysis of support costs

Support costs allocated to charitable activities

	Research and consultancy £	Membership and subscriptions £	Events and publications £	Governance costs £	Total 2024 £
Salaries	188,293	25,794	12,897	30,952	257,936
Marketing costs	27,696	3,258	1,629	-	32,583
Establishments costs	27,184	3,198	1,599	-	31,981
Insurance	3,233	380	190	-	3,803
Legal and professional	10,970	1,291	645	-	12,906
Administration costs	25,312	2,978	1,489	-	29,779
Finance charges	5,668	667	333	-	6,668
Staff training and recruitment	11,530	1,356	678	-	13,564
Board expenses/meeting costs	-	-	-	267	267
Depreciation	2,325	274	137	-	2,736
Auditors fee	-	-	-	10,000	10,000
Allocation of governance costs	35,122	4,132	2,066	(41,219)	101
	<u>337,333</u>	<u>43,328</u>	<u>21,663</u>	<u>-</u>	<u>402,324</u>

	Research and consultancy £	Membership and subscriptions £	Events and publications £	Governance costs £	Total 2023 £
Salaries	174,392	23,889	11,945	28,667	238,893
Marketing costs	18,834	2,216	1,107	-	22,157
Establishments costs	25,510	3,001	1,500	-	30,011
Insurance	3,537	416	208	-	4,161
Legal and professional	20,824	2,450	1,225	-	24,499
Administration costs	38,913	4,578	2,290	-	45,781
Finance charges	205	24	12	-	241
Staff training and recruitment	20,986	2,469	1,235	-	24,690
Board expenses/meeting costs	-	-	-	1,578	1,578
Depreciation	4,046	476	238	-	4,760
Auditors fee	-	-	-	9,360	9,360
Allocation of governance costs	33,664	3,961	1,980	(39,605)	-
	<u>340,911</u>	<u>43,480</u>	<u>21,740</u>	<u>-</u>	<u>406,131</u>

Centre for Local Economic Strategies Limited

Notes to the Financial Statements for the Year Ended 30 June 2024

Basis of allocation

Reference	Method of allocation
Salaries	Estimate of time spent
Marketing costs	Estimate of usage (Net of any direct attribution)
Property costs	Estimate of usage
All other costs	Estimate of usage
Depreciation	Estimate of usage

8 Net (outgoing)/incoming resources

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

	2024 £	2023 £
Operating leases - other assets	21,750	21,750
Audit fees	10,000	9,360
Other non-audit services	4,200	4,100
Depreciation of fixed assets	<u>2,735</u>	<u>4,760</u>

9 Trustees remuneration and expenses

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

No trustees have received any reimbursed expenses or any other benefits from the charity during the year. During the previous year, the charity paid travel expenses to two trustees totalling £1,081.

10 Staff costs

The aggregate payroll costs were as follows:

	2024 £	2023 £
Staff costs during the year were:		
Wages and salaries	812,148	757,403
Social security costs	89,190	85,518
Pension costs	<u>65,275</u>	<u>26,424</u>
	<u>966,613</u>	<u>869,345</u>

Centre for Local Economic Strategies Limited

Notes to the Financial Statements for the Year Ended 30 June 2024

Number of employees

The average number of employees during the year, calculated on the basis of full-time equivalent employees (FTE) and average headcount (HC) was as follows:

	2024	2024	2023	2023
	HC	FTE	HC	FTE
	No	No	No	No
Employees	18	18	18	17
	<u>18</u>	<u>18</u>	<u>18</u>	<u>17</u>

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

	2024 No	2023 No
£60,001 - £70,000	2	1
£90,001 - £100,000	<u>1</u>	<u>1</u>

The total employee benefits of the key management personnel of the charity were £274,675 (2023 - £257,633).

11 Auditors' remuneration

	2024 £	2023 £
Audit fee	10,000	9,360
All other non-audit services	<u>4,200</u>	<u>4,100</u>
	<u>14,200</u>	<u>13,460</u>

Centre for Local Economic Strategies Limited

Notes to the Financial Statements for the Year Ended 30 June 2024

12 Taxation

The income and gains of the charity are exempt from taxation to the extent they are applied to its charitable activities.

13 Tangible fixed assets

	Leasehold improvements £	Office equipment £	Computer equipment £	Total £
Cost				
At 1 July 2023	2,655	3,735	32,213	38,603
Additions	-	-	3,680	3,680
At 30 June 2024	2,655	3,735	35,893	42,283
Depreciation				
At 1 July 2023	2,655	3,606	29,225	35,486
Charge for the year	-	100	2,635	2,735
At 30 June 2024	2,655	3,706	31,860	38,221
Net book value				
At 30 June 2024	-	29	4,033	4,062
At 30 June 2023	-	129	2,988	3,117

14 Fixed asset investments

	2024 £	2023 £
Shares in group undertakings and participating interests	2	2

Details of undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held		Principal activity
			2024	2023	

Subsidiary undertakings

CLES European Research Network Limited	England and Wales	Ordinary shares	100%	100%	Dormant
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Centre for Local Economic Strategies Limited

Notes to the Financial Statements for the Year Ended 30 June 2024

The profit for the financial period of CLES European Research Network Limited was £Nil (2023: £Nil) and the aggregate amount of capital and reserves at the end of the period was £(2) (2023: £10,186).

The company was dormant in the current and prior year. The company was dissolved on 2 July 2024.

15 Debtors

	2024 £	2023 £
Trade debtors	214,445	174,725
Prepayments	18,595	17,276
Accrued income	168,323	117,047
	<u>401,363</u>	<u>309,048</u>

16 Cash and cash equivalents

	2024 £	2023 £
Cash at bank	<u>143,020</u>	<u>371,033</u>

17 Creditors: amounts falling due within one year

	2024 £	2023 £
Trade creditors	24,447	23,562
Other taxation and social security	44,454	64,548
Pension scheme creditor	17,200	172,000
Accruals	33,977	20,190
Deferred income	90,632	84,623
	<u>210,710</u>	<u>364,923</u>

	2024 £	2023 £
Deferred income at 1 July 2023	84,623	73,743
Resources deferred in the period	6,009	10,880
Deferred income at year end	<u>90,632</u>	<u>84,623</u>

18 Creditors: amounts falling due after one year

	2024 £
Other creditors	<u>154,800</u>

Centre for Local Economic Strategies Limited

Notes to the Financial Statements for the Year Ended 30 June 2024

19 Obligations under leases and hire purchase contracts

Operating lease commitments

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

	2024 £	2023 £
Land and buildings		
Within one year	27,954	7,806
Between one and five years	99,392	29,526
	<u>127,346</u>	<u>37,332</u>

20 Pension and other schemes

Greater Manchester Pension Fund

In respect of certain long-standing employees, the charity participates in the Greater Manchester Pension Fund (GMPF), an independently administered defined benefit scheme which is externally funded and contracted out by the State Earnings Related Pension Scheme. THE GMPF is a multi-employer scheme, and in accordance with the guidance issued by the Charity Commission the charity accounts for those contributions as if it were a defined contribution scheme.

It has done so because is unable to identify its share of the underlying assets and liabilities on a consistent and reasonable basis. Contributions are charged to the SOFA in the period in which they are payable. As there are now no active members of the GMPF, CLES has exited the scheme and the transfer of the liability has been agreed to repaid over ten years.

Employees are required to join a compulsory employer's contributory pension. The employer's contribution starts at the equivalent to 6% of their gross pa to the employees' stakeholder pension scheme, a money purchase scheme.

All pension contributions are charged to the SOFA in the year in which they are payable.

Centre for Local Economic Strategies Limited

Notes to the Financial Statements for the Year Ended 30 June 2024

21 Funds

	Balance at 1 July 2023 £	Incoming resources £	Resources expended £	Balance at 30 June 2024 £
Unrestricted funds				
<i>General</i>				
General funds	318,277	787,131	(926,486)	178,922
Restricted funds				
NIHR Public Health Research Programme	-	1,148	(1,148)	-
Regional Action Plan	-	269,810	(269,810)	-
City REDI	-	18,301	(18,301)	-
Innovate	-	9,175	(9,175)	-
WMCA	-	12,083	(8,068)	4,015
Total restricted funds	-	310,517	(306,502)	4,015
Total funds	318,277	1,097,648	(1,232,988)	182,937

	Balance at 1 July 2022 £	Incoming resources £	Resources expended £	Transfers £	Balance at 30 June 2023 £
Unrestricted funds					
<i>General</i>					
General funds	139,626	865,269	(736,618)	50,000	318,277
<i>Designated</i>					
Designated funds	50,000	-	-	(50,000)	-
Total unrestricted funds	189,626	865,269	(736,618)	-	318,277
Restricted					
Scottish Government secondment	-	30,662	(30,662)	-	-
Barrow Cadbury Trust - Anchor Network	-	1,982	(1,982)	-	-
NIHR Public Health Research Programme	-	22,234	(22,234)	-	-
Power to Change	-	107,766	(107,766)	-	-
LGIU	-	20,000	(20,000)	-	-
Alex Ferry Foundation	-	15,300	(15,300)	-	-
Regional Action Plan	-	132,260	(132,260)	-	-
Columbia Threadneedle	-	46,500	(46,500)	-	-
Total restricted funds	-	376,704	(376,704)	-	-

Centre for Local Economic Strategies Limited

Notes to the Financial Statements for the Year Ended 30 June 2024

	Balance at 1 July 2022 £	Incoming resources £	Resources expended £	Transfers £	Balance at 30 June 2023 £
Total funds	<u>189,626</u>	<u>1,241,973</u>	<u>(1,113,322)</u>	<u>-</u>	<u>318,277</u>

Description of Restricted Funds

Scottish Government

Secondment to the Scottish Government to support the development of Community Wealth Building in a Scottish context.

Power to Change

Funding directly via OSF as a legacy funding arrangement as they withdrew from the UK.

NIHR

Public Health research programme

LGIU

Future of economic development

Alex Ferry Foundation

Research into Freeports policy in England.

Columbia Threadneedle

Investigation into women's experience of the economy in Leeds.

Regional Action Plan

Action plan for a new economy

Barrow Cadbury - Anchor Network

Network facilitation

City REDI

Local Policy Innovation Partnership (LPIP) Co-ordinating Hub is hosted by City-REDI at the University of Birmingham, doing place-based research.

Innovate

Oldham Green New Deal Delivery Partnership will focus on delivering the low carbon infrastructure Oldham needs to get to Net Zero

WMCA

Secondment to West Midlands Combined Authority to lead on community wealth building in the West Midlands

Centre for Local Economic Strategies Limited

Notes to the Financial Statements for the Year Ended 30 June 2024

22 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds at 30 June 2024 £
Tangible fixed assets	4,062	-	4,062
Fixed asset investments	2	-	2
Current assets	540,368	4,015	544,383
Current liabilities	(210,710)	-	(210,710)
Creditors over 1 year	(154,800)	-	(154,800)
Total net assets	<u>178,922</u>	<u>4,015</u>	<u>182,937</u>
		Unrestricted funds General £	Total funds at 30 June 2023 £
Tangible fixed assets		3,117	3,117
Fixed asset investments		2	2
Current assets		680,081	680,081
Current liabilities		(364,923)	(364,923)
Total net assets		<u>318,277</u>	<u>318,277</u>

23 Analysis of net funds

	At 1 July 2023 £	Financing cash flows £	At 30 June 2024 £
Cash at bank and in hand	<u>371,033</u>	<u>(228,341)</u>	<u>142,692</u>
Net debt	<u>371,033</u>	<u>(228,341)</u>	<u>142,692</u>
		Financing cash flows £	At 30 June 2023 £
Cash at bank and in hand	<u>287,329</u>	<u>83,704</u>	<u>371,033</u>
Net debt	<u>287,329</u>	<u>83,704</u>	<u>371,033</u>

24 Related party transactions

There were no related party transactions in the year.

Centre for Local Economic Strategies Limited

Notes to the Financial Statements for the Year Ended 30 June 2024

25 Prior year Statement of Financial Activities

	Unrestricted funds £	Restricted funds £	Total 2023 £
Income and Endowments from:			
Charitable activities	865,269	376,704	1,241,973
Total income	865,269	376,704	1,241,973
Expenditure on:			
Charitable activities	(736,618)	(376,704)	(1,113,322)
Total expenditure	(736,618)	(376,704)	(1,113,322)
Net income	128,651	-	128,651
Net movement in funds	128,651	-	128,651
Reconciliation of funds			
Total funds brought forward	189,626	-	189,626
Total funds carried forward	318,277	-	318,277

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

England & Wales - Charity number 1089503

Accounts

Charity Number: 1089503

Company Number: 4242937

CENTRE FOR LOCAL AND ECONOMIC STRATEGIES LIMITED
ANNUAL REPORT
AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

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CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

FOR THE YEAR ENDED 30 JUNE 2023

Legal, reference and administrative information

Other name used:	CLES Limited
Registered Charity number:	1089503
Registered Company number:	4242937
Principal and Registered Office:	52 Oak Street, Swan Square, Manchester, M4 5JA
Trustees:	C Wilkins (Chair) Cllr P Dennett N Bolger A Donald D C Hyland (resigned 30 April 2023) Cllr D P Meller Cllr B Crag R Deegan H Thomas J Dromey (appointed 22 June 2023) S Halliwell (appointed 22 June 2023)
Secretary:	S L Longlands
Senior Leadership Team:	
Chief Executive	S Longlands
Other Members of the team	T Lloyd Goodwin S MacDonald
Auditor:	Beever and Struthers Chartered Accountants One Express 1 George Leigh Street Manchester M4 5DL
Bankers:	Co-operative Bank PLC 1 Balloon Street Manchester M60 4EP
Solicitors:	Bates, Wells & Braithwaite 61 Charterhouse Street London EC1M 6HA

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

TRUSTEES' ANNUAL REPORT (INCORPORATING THE STRATEGIC AND DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 JUNE 2023

The Trustees present their annual trustees' report and financial statements for the Charity and its subsidiary for the year ended 30 June 2023 which are also prepared to meet the requirements for a strategic and directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Our objectives and activities

The objectives of the Charity are to:

- Educate the public by exclusively charitable means and in particular to promote, encourage and conduct research into subjects connected with the formulation, direction, organisation, administration and effects of economic, fiscal, regeneration and employment policies and initiatives in the United Kingdom whether on a local, regional or national level and all related subjects and disciplines including those of an international character and to publish the useful results of such research.
- Promote sustainable development for the public benefit, by promoting sustainable means of achieving local economic growth and regeneration.
- Promote the effectiveness and efficiency of the charitable and voluntary sector for the public benefit by providing advice, information, training and seminars on subjects related to the contribution made by the charitable and voluntary sector to the creation and development of local communities and places.

In shaping our objectives for the year and planning our activities, we have been informed by the Charity Commission guidance on public benefit and many of our publications and activity is free to view and download.

Mission and Aims

Established in 1986, CLES is a Manchester-based charity working towards a future where local economies benefit people, place and the planet. This will happen when wealth and power serve local people, rather than the other way around, enabling communities to flourish. We have an international reputation for our pioneering work on community wealth building and are recognised as the curators of the movement in the UK.

We act as a critical friend to local places helping to bring anchor organisations together, connect them to local economies and together devise solutions and deliver change. We use this experience of delivering change on the ground to advocate for change nationally. We do this in a number of ways:

- Act as a champion for radical economic change for places and communities experiencing social, economic, and environmental inequality.
- Work to improve the effectiveness of local state organisations including Councils and Health organisations as well as agencies and organisations in addressing these problems by developing practice and informing policy locally and nationally.
- Develop skills and ideas of public officials who should, as far as possible, reflect the diverse communities in which they serve.
- Inform and educate the public and stakeholders about the value and benefits to local economies of high-quality public services, this includes publishing and distribution of pamphlets, reports, leaflets, journals, films, and instructional matter on any medium.
- Promote, encourage, carry out or commission research, surveys, studies, or other work, making the useful results available.
- Organise and assist in the provision of conferences, training, facilitated workshops and other educational activities.

CLES currently owns 100% of the subsidiary company, CLES European Research Limited.

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

TRUSTEES' ANNUAL REPORT (INCORPORATING THE STRATEGIC AND DIRECTORS' REPORT) FOR THE YEAR ENDED 30 JUNE 2023

Public Benefit

The Trustees have had regard to the guidance issued by the Charity Commission with regard to public benefit.

Although most of the charity's work is undertaken through paid assignments, in almost all cases clients are willing to allow the results of the work to be more widely disseminated so as to the benefit of the public. In focusing its efforts in particular work areas CLES takes account of the relative public benefit expected to flow from work, as well as considering the financial viability of the activities.

CLES has a wholly owned subsidiary, CLES European Research Network Limited (CERN), which was set up to carry out commercial consultancy work. The company is currently dormant.

Our key achievements and impacts during 2022/23

During 2022-23, we have worked with an increasing range of organisations across the UK to support the development and strengthening of local places, communities and their economies. This has included

- Worked on 44 paid projects with 46 different partners. These projects included the development of inclusive economic development strategies, community wealth building action plans as well as specific piece of work on social value frameworks, procurement, employment and investment strategies. A higher proportion of these projects were grant funded through Trusts and academic partnerships than in previous years.
- Facilitated 17 paid events and training sessions including with housing associations, local authorities and membership organisations. Many of these events have led directly to new projects and partnerships.
- We held our annual community wealth building summit in Birmingham in November 2022 which attracted more than 150 delegates from local places across England, Scotland, Wales, Ireland and Internationally. The focus was on anchor organisations and networks and was supported through sponsorship from Power to Change, Barrow Cadbury, Birmingham City Council and The Democracy Collaborative.
- We participated in the party conferences with fringe events at The Conservative, Labour, Green Party and, for the first time, the Scottish National Party Conferences in the Autumn of 2022.
- We published 6 new publications on our website and the CLES team have authored more than 19 blogs and opinion pieces in a range of national and trade press publications including The Guardian, The New Statesman, Municipal Journal and the Local Government Chronicle. We were also invited to contribute to a range of national debates via broadcast media including LBC Radio, Sky News and BBC Radio Manchester.
- Our social media reach continues to grow with 14.2k followers on twitter and a growing presence on LinkedIn and Instagram.

The thematic focus of our work during 2022/23 has focused on three key thematic areas which are detailed below with examples of the projects and impacts our work is having to date:

The Future of Local economies: Building on our work in 2021/22 this work has seen us work with local economic development practitioners to develop a new agenda for local economies, in the context of the key challenges facing our places at the current time (including environmental crisis and cost of living). The aim has been to support public officials and communities to create more inclusive local economies which deliver good lives through employment and public services. This has included work on inward investment and gender inclusion.

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

TRUSTEES' ANNUAL REPORT (INCORPORATING THE STRATEGIC AND DIRECTORS' REPORT) FOR THE YEAR ENDED 30 JUNE 2023

The outcomes under this theme have included:

- **Future of Local economic Development:** Through our network of communities of practice we have explored the challenges and opportunities within local economics with public officials from a range of organizations across the UK. This has helped to provide new insights about the practice of supporting local economies and the adoption/take up of community wealth measures. This led to the publication of a new report – *A Light in the Dark* – in November 2022 at our annual summit which set out a new direction of travel for local economies in the UK.
- **Future Freeports:** research highlighting the challenges of freeports to date and putting forward recommendations as to how this policy agenda can be used to support local job creation, skills and training as well as progressive use of land and assets. As a result of this research, a report was published in July 2023 – *Future Freeports* – and has been disseminated to a range of public officials in local government and combined authorities with planned follow up meetings in the diary.
- **Putting gender equality at the heart of local economic development:** a project with Leeds City Council to consider what it would mean to put gender equality at the heart of a local economic development strategy. The project will directly influence the Council's emerging inclusive economic growth strategy. To date, the project has published new analysis in March 2023 which illustrated the barriers to paid work which are faced by women in the UK. This includes £88.7bn GVA which is lost to Britain's economy every year. On the local level, the average regional economy is losing out on £1.68bn per year – in some cases representing nearly 10% of existing annual economic output. There are large regional disparities, too, and a correlation between this economic exclusion and child poverty rates. This project is ongoing and with a final report in November 2023.
- **Thinking progressively about local investment.** We've been working with the University of Sheffield to explore what a future model for progressive inwards investment would look like at the local level. This has included an analysis of good practice internationally with a final report due later in the year. We are using this work to help support a next phase of work on wealth flows which would supplement our work on community wealth building.

Strengthening Community wealth building: Community wealth building continues to be a core theme of our work across the UK. This work has also been supported through core funding from Power to Change and Friends Provident Foundation. Highlights during 2022/23 have included:

- **Community wealth building Action Plans:** We have worked with more than ten organizations across the UK and Ireland including local councils and health authorities to help them deliver community wealth building and in doing so support local jobs, businesses and higher incomes for the general public.

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

TRUSTEES' ANNUAL REPORT (INCORPORATING THE STRATEGIC AND DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 JUNE 2023

- **Community wealth building approaches to the climate crisis.** We worked with housing associations in the South of Scotland to understand how their role as economic anchors could enable them to take further action on housing decarbonization. This report – *A Roadmap to decarbonization* – was published in November 2022 and revealed the scale of economic potential that investment in retrofit could generate in terms of jobs and GVA. This work is being used by the housing associations to strengthen their relationships with each other and to make the case for future investment. We published a second report on retrofitting in the context of Manchester in partnership with Manchester University in December 2022 entitled *Retrofitting housing*.
- **Birmingham Anchor Network:** CLES have been involved in the creation and ongoing development of the Birmingham Anchor Network for the last five years. We continue to employ a dedicated member of staff to co-ordinate the partnership. One of the significant outcomes of our involvement with this network has been the development of the I Can project which has radically changed the way in which the NHS and other local anchor organisations recruit so that they are now targeting unemployed people in East Birmingham. During 2022/23 we have also supported the leadership of the anchor network to formalize their relationship through the signing of a new memorandum of understanding which includes an agreed further seven-year commitment to work with each other to deliver progressive outcomes in key areas including procurement, the use of assets and employment.
- **Regional Action Plan Programme:** CLES are now working in partnership with Co-ops UK, the New Economics Foundation and the Centre for Thriving Places to deliver a new land mark regional action plan programme funded by the National Lottery, Power to Change, Friends Provident Foundation and Barrow Cadbury. This five-year programme of work represents the biggest project in CLES' history and will look at how we can achieve economic change at scale through the funding and powers available at the combined authority level in the West Midlands, North East and South Yorkshire mayoral combined authorities. We want to use this programme to make policy recommendations on the potential of devolution and local economies, eg how devolution can help to support high quality public services as part of an effective local economic strategy.
- **Communities of Practice:** we have continued to run our popular communities of practice with a range of key stakeholders including NHS staff, local economic development professionals, community organizations and housing organizations. This provides a peer network for learning, training and exchange of information and support on how to develop and deliver community wealth building approaches in a range of contexts.

Community wealth building in Scotland, Wales and on the Island of Ireland.

2022/23 has seen CLES continue to work across the devolved nations of the UK where there is significant national as well as local interest in community wealth building. In addition, we are now working closely with Dublin City Council on a long term project to embed community wealth building in the city.

- **Community wealth building Bill Consultation in Scotland.** In March 2023 we hosted an event on community wealth building in Scotland to discuss the Scottish Government's proposed legislation on community wealth building which included a guest presentation from Mr Tom Arthur the Minister for Community wealth and public finance. We submitted a formal response to the consultation which we also made publicly available on our website.

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TRUSTEES' ANNUAL REPORT (INCORPORATING THE STRATEGIC AND DIRECTORS' REPORT) FOR THE YEAR ENDED 30 JUNE 2023

- **Community wealth building in Wales:** We now have a full-time member of staff based in Wales and during 2022/23 this has given us a chance to consolidate our position and to develop and strengthen new and existing links to new work and organizations. The publication of our work on employee ownership in 2022 led to an event in Cardiff in October where we presented our report and had representation from the Minister for the Economy Vaughan Gething and was used to inform the Senedd's emerging Social Partnership and Public Procurement (Wales) Act.
- **Guide to Insourcing for Welsh Government:** During 2022 we worked with the Welsh Government to develop a new toolkit for insourcing public services. This drew on a range of case studies from across the UK, particularly in the context of the pandemic to explore how insourcing can be done effectively to maximise economic outcomes for local communities.

We also updated our guide to community wealth building for local councillors in May 2023 and we hope to continue to work on developing and strengthening our work on property, land and finance during 2023/24.

Local State Power – health and wealth:

We have worked closely to develop our work on healthy places and economies during 2022/23. This has included a new report – Healthy Places – which was published in May 2023. This highlighted the potential of the Integrated Care Systems to help support local economies through their new remit on economic and social development.

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

TRUSTEES' ANNUAL REPORT (INCORPORATING THE STRATEGIC AND DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 JUNE 2023

Internal Management Systems and Governance

The CLES team comprises 17 members of staff and 10 Trustees as of 30th June 2023. During 2022 and 2023 we have continued to explore how as an organisation we can continue to strengthen our work and the capacity of our team to deliver.

During 2022/23 we have developed and implemented the first year of a new structure within the organisation which ensures that everyone in the organisation has access to 1:1 support and line management on a regular basis. We have also increased the funding available for staff training and support. We continue to have a helpful and productive relationship with our Trade Union representatives following the signing of a recognition agreement in 2021/22. Post pandemic, CLES now operates a Hybrid working arrangement and whilst the majority of staff are based in and around Greater Manchester, we also have staff in London and the West Midlands.

A significant change to our operating structure during 2022/23 was our six month trial of a four day week. This began in October 2022 following a long planning and preparation phase in close collaboration with the CLES team. The trial was independently evaluated by Autonomy. The results of the trial were very successful with levels of self-reported wellbeing and productivity amongst staff rising significantly between the start and the end of the trial. We continue to monitor the impact of the four day week but Trustees have agreed to move towards full implementation of the four day week at CLES.

During 2022/23, we have invested significantly in continuing to understand the impact of our work and where our efforts are best directed in the longer term to ensure that we strengthen our influence and impact and continue to fulfil our charitable aims and purpose.

During 2022/23 we welcomed several new Trustees including a new Chair to the CLES Board following a successful recruitment process during 2021/22. A new induction process has been established for new trustees and post pandemic, in person meetings have been resumed. During 2023 we have also revised our Articles of Association and Bylaws to reflect the evolving nature of our CLES Board of Trustees and Directors.

Internally, we will also be prioritising a number of key organisational actions going forward:

- **Development of CLES' regional reach including** strengthening our presence in the UK's regions including Wales, Scotland and potentially, the Republic of Ireland. This will also be complemented by continuing to develop our relationships with the combined mayoral authorities in England (including London).
- **Implementation of a four day week trial** for CLES team to support wellbeing and staff retention.

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

TRUSTEES' ANNUAL REPORT (INCORPORATING THE STRATEGIC AND DIRECTORS' REPORT) FOR THE YEAR ENDED 30 JUNE 2023

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Future Strategy for CLES

During 2022/23 we have undertaken significant amount of work to develop a future strategy for CLES. This strategy will help us to navigate our way in an increasingly crowded market place by making the most of fundraising opportunities that exist, make good use of our current and future resources effectively and deliver our charitable purpose and mission effectively. The objectives of this strategy include:

- Ensuring that CLES remains a champion for radical economic change through local delivery
- That we strengthen our advocacy for investment in local public services particularly ahead of a potential general election in 2024.
- That CLES is a proactive and provocative voice in the new economy movement nationally - grounded in the experience and context of local places.
- That CLES continues to be a leading UK organisation for adapting and strengthening community wealth building for existing and new audiences including being willing to engage constructively with critiques.
- That CLES is an outward facing organisation where we invest in our relationships with our key audiences, allies and funders.
- CLES recognises the value of good organisational culture and which leads by example in the sector.

We hope to deliver this strategy by identifying a number of key thematic priorities for 2023/24 which will enable us to build a strong focused offer for our network and partners across the UK and beyond whilst at the same time, securing larger, longer term contracts to ensure that we continue to be financially sustainable. It enables us to create and shape the market for our work rather than simply responding to the market as it evolves over time. It should also enable us to diversify our funders. To date, these strategic priorities for the next 12-18 months at least include:

1. **Strong economic democracy: How can we enable citizens to become active participants** who can collectively give form and direction to the economic future of their local area? This theme has evolved from the recognition that there is increasing interest in the role that communities can play directly in community wealth building as well as the importance of democratising the economy within community wealth building. It also aligns well with our charitable purpose of public education.
2. **Community wealth building – reaching the next level.** Community wealth building is becoming an increasingly mainstreamed part of local economic strategy with more and more local councils and anchor organisations working with CLES to develop their plans. However, there are new challenges and real uncertainty for places ahead including the impact of climate change, cost of living crisis and ongoing impacts of Brexit in the UK.

We want to use this thematic priority to continue to develop and strengthen the power of community wealth building locally, regionally and nationally. In this theme we will focus particularly on land, property and finance as well as continuing to make community wealth building central to all discussions about public spend and investment. We will also continue to support the growth of local community wealth building ecosystems and networks and share our knowledge, data and products widely whilst understanding the reach of the movement. We will also build on our previous work in Oldham and the South of Scotland to explore the potential of community wealth building to deliver better and more intentional solutions to the environmental emergency.

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As the movement grows, so too does the level of interest in measuring the impact and so we will also be exploring a set of indicators/measures which enable places to understand the difference their approach is making to local wellbeing and prosperity. This will build on the work we have been doing with Liverpool University on the NIHER which is conducting a long term evaluation of community wealth building in Preston and which recently published its emerging conclusions in the Lancet Journal. Perhaps one of the most exciting opportunities to take community wealth building to the next level is the ongoing regional action plan project which will explore how we can scale and deepen community wealth building using devolution at the devolved combined authority level of governance.

3. **New Local Economies.** In this theme we want to directly influence the work of national and local leaders longer term by exploring how progressive interventions in local economies can be taken further by policy makers including:

- New Industrial strategies
- Public sector finance and reform
- Enabled local planning
- Challenging market led regeneration

We want this programme of work to help give policy makers the evidence and tools to transform their local economic systems in a way which goes beyond a dependency upon growth as the primary goal for local economic policy. In addition, we hope to support a community of trailblazer local councils to implement systemic change

Within this theme we will also continue to explore the importance of health organizations and other anchors in helping to bring key partners around the table to use their combined economic heft to address key challenges for communities.

Financial Review

Overview

The financial figures for 2022/23 show that CLES made a surplus of £128,651. This is set against a forecast of a £113k surplus for the year, so we are slightly above budget by £26k.

At 30 June 2023 the Group holds £328,461 (2022: £199,810) in reserves, of which £nil (2022: £nil) are restricted. A further £3,117 (2022: £5,676) are represented by tangible fixed assets, leaving £325,344 (2022: £194,134) in free reserves

To monitor financial risks within the organisation, CLES continues to regularly review its financial situation on monthly basis within the Senior Leadership Team and on a quarterly basis with the Board of Trustees and Directors.

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

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FOR THE YEAR ENDED 30 JUNE 2023

Risk management

The trustees and senior leadership team have a risk management strategy and approach which comprises:

- A monthly and quarterly review of risks and uncertainties that the charity and the subsidiary (CERN Ltd) face through the senior leadership team and CLES Board of Trustees. This includes a monthly review of aged debtors.
- The use of the in house CLES Planner to monitor income and capacity within the CLES team and regular capacity/income discussions at weekly senior leadership and management meetings.

We review cashflow on a monthly and quarterly basis and have an ongoing process of issuing sales invoices and proactive debt chasing. Trustees discuss the quarterly management accounts, and regular meetings and discussions take place separate to the formal board meetings. The Trustees are currently in the process of revising the CLES Risk Register for 2023-24 but some key risks ahead include:

- Given the profile of our income, much of which is with local state organisations, our exposure to changes in public sector expenditure is a key risk factor for CLES. A key element of managing this risk, is a regular review of incoming resources, projected forward 18 months. In addition, during 2022/23 we have taken steps to diversify our funding so that we are also making full use of potential funding from grant and philanthropic sources to help mitigate the risk of continued decline in public funding.
- The average size of contracts that we've typically secured in recent years has tended to be small, for example, our average project size was £23,692 in 2022/23 and £18,792 in 2021/22. As outlined above, our forward strategy is to develop larger programmes of work like the regional action plan to give us more longer-term stability in terms of our income. However, it is likely that in addition, we will continue to undertake smaller pieces of work- particularly where they are closely aligned with our strategic priorities.
- Staff recruitment and retention. The labour market for our work is highly competitive at the current time. In this, CLES strives to offer competitive salaries, good terms and conditions, with opportunities for staff development. The development of the four day week approach to employment at CLES will, we hope help us to maintain our competitiveness. We are also using our in house comms expertise to develop new approaches to reach people, including video and social media content. Evidence to date from recent recruitment exercises suggests that this approach is having an impact with applicants quoting the organisation's four day week as an incentive to join.

Going Concern

2022/23 has been a positive year for CLES with a £129k surplus and with a strong pipeline for the year ahead. To date, approximately 50% of the organisation's funding for the year ahead has been secured as of end of Q1). In addition, in 2021/22 we have stated our ambition to develop longer term, larger contracts and this is beginning to happen with a range of larger new projects on stream for 2022/23. The key strategic themes identified above will provide us with a strong focus for the future and Trustees will continue to work closely with the Senior Leadership team to monitor the progress of this approach.

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Principal funding sources

CLES has a diversity of funding sources. This includes:

Grant awards from philanthropic funders, academic institutions and other funders who want to support CLES' charitable mission and ideas.

Commissioned activities from local government, which are concomitant to charitable aims and allow us to explore, develop and share practice amongst the wider community and public. This commissioned activities are secured both through commissioned tenders (where there is clear alignment with our mission and objectives) and proactively through organisations wanting us to directly support their efforts to deliver community wealth building and inclusive economic change.

We also receive donations in support of our events and speaking engagements

New relationships which cover different geographies and variants of the charities core charitable purposes are also actively pursued on an ongoing basis.

Reserves

The charity has a longstanding reserves policy, which targets the desirable level of free reserves at between 4-6 months' revenue which equates to £384,641.

STRUCTURE GOVERNANCE AND MANAGEMENT

Governing document

CLES is a company limited by guarantee governed by its memorandum and articles of association dated 28th June 2001, as amended by Special Resolution dated 16th December 2010 and 13 August 2012. The byelaws were amended on 7 May 2015.

Trustee recruitment and retireals

CLES has a well-established structure of governance, which has served the organisation effectively in recent years. In the last year there has been some movement in the Board and a process launched during 2022 to recruit new board members to the organisation. This process has been completed successfully and the new board members have now successfully completed their first year of service to the Board. The annual retireals meeting detailed in our governance document ensures a regular review of board membership.

Chief Executive

The day to day management of the organisation is delegated to the Chief Executive, Dr Sarah Longlands who works in partnership with the senior leadership and management teams to run the organisation.

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Organisation of Board meetings.

The full board of Trustees meets four times a year. Meetings concur with end of quarter financial work and reporting and usually last up to 2 ½ hours. They usually take place in Manchester/London (occasionally elsewhere), taking into account the geographical spread of trustees.

The CEO meets with the Chair in regular 1 to 1's on at least a monthly basis. In these meetings ongoing operational considerations are discussed, as well as longer term goals in relation to organisational objectives and business plan. Agenda and content for any forthcoming Board meetings are also discussed.

On occasion sub-committees are formed. These look at issues raised which need a deeper consideration. In 2022/23, a finance committee has been formed to oversee the budget setting process and the annual accounts.

Non delegated authority includes Governance policy, staff terms and conditions, annual budget, remuneration of the CEO. Delegated areas include all areas of day to day operations, recruitment, remuneration of staff (excluding the CEO).

Pay and remuneration for senior staff

The CEO's pay and remuneration is decided by the Board. This takes place via an appraisal process, conducted by the Chair of the Board.

All other senior staff appraisals are conducted by the CEO and line managers, with recommendations going to the board for assessment in accordance with annual budget considerations and negotiations with the recognised Trade Union.

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

TRUSTEES' ANNUAL REPORT (INCORPORATING THE STRATEGIC AND DIRECTORS' REPORT) FOR THE YEAR ENDED 30 JUNE 2023

Trustees' responsibilities in relation to the financial statements

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

Company law requires the Charity Trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, 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 applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

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

Trustees' statement of disclosure of information

Each of the persons who is a trustee at the date of approval of this report confirms that:

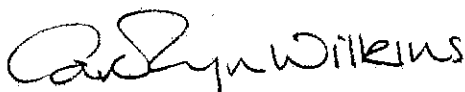
- so far as each trustee is aware, there is no relevant audit information of which the charity's auditor is unaware; and
- each trustee has taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Small Company Provisions and Approval

The report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

The Trustees' annual report, incorporating director's report were approved on and signed on behalf of the board of Trustees, and signed on the board's behalf by:

Carolyn Wilkins
Trustee



CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CENTRE FOR LOCAL AND ECONOMIC STRATEGIES LIMITED

Opinion

We have audited the financial statements of Centre for Local and Economic Strategies Limited ("the charitable company") for the year ended 30 June 2023 which comprise the Consolidated Statement of Financial Activities (Including Income and Expenditure Account), the Charity Statement of Financial Activities (Including Income and Expenditure Account), the Consolidated and Charity Statement of Financial Position, the Consolidated and Charity Statement of Cash Flows and the Notes to the Financial Statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS102 "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 Group's and of the Parent Charitable Company's affairs as at 30 June 2023 and of the Group's incoming resources and application of resources and the Parent Charitable Company's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Charitable Company in accordance with the ethical requirements 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 related 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 Group and the Parent 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 (who are also the directors for the purposes of company law) 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.

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CENTRE FOR LOCAL AND ECONOMIC STRATEGIES LIMITED

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

We have nothing to report in this regard.

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' Report, which includes the Directors' Report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report, which is included in the Trustees' Report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustee's report.

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

- adequate accounting records have not been kept by the Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' responsibilities, 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 determines 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 Group's and the Parent 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 Group or the Parent Charitable Company or to cease operations, or have no realistic alternative but to do so.

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CENTRE FOR LOCAL AND ECONOMIC STRATEGIES LIMITED

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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws, regulations and guidance that affect the Charitable Company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws, regulations and guidance that we identified included the Companies Act 2006, tax legislation, health and safety legislation and employment legislation.
- We enquired of the Trustees and reviewed correspondence and Trustee meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Trustees have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Trustees have in place to prevent and detect fraud. We enquired of the Trustees about any incidence of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks.
- We reviewed the financial statements disclosures and supporting documentation to assess compliance with relevant laws and regulations.
- We enquired of the Trustees about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of controls we tested the appropriateness of journal entries and assessed whether the judgments made in making accounting estimates were indicative of a potential bias.

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CENTRE FOR LOCAL AND ECONOMIC STRATEGIES LIMITED

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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 Charitable 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 anyone other than the Charitable Company and the Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Beever and Struthers

Sue Hutchinson FCCA (Senior Statutory Auditor)
For and on behalf of

Beever and Struthers
Statutory Auditor
One Express
1 George Leigh Street
Manchester
M4 5DL

Date: 9 February 2024

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 30 JUNE 2023

	Note	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
Incoming Resources					
Charitable activities	5	865,269	376,704	1,241,973	1,015,710
Total Incoming resources		865,269	376,704	1,241,973	1,015,710
Expenditure on:					
Charitable activities	6	736,618	376,704	1,113,322	1,279,714
Total Expenditure		736,618	376,704	1,113,322	1,279,714
Net income / (expenditure) before transfers		128,651	-	128,651	(264,004)
Net income / (expenditure)		128,651	-	128,651	(264,004)
Reconciliation of funds:	14				
Total funds brought forward		199,810	-	199,810	463,814
Total funds carried forward		328,461	-	328,461	199,810

The statement of financial activities includes all gains and losses in the year.
All incoming resources and resources expended derive from continuing activities.

The notes on pages 22 to 33 form part of these financial statements.

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

CHARITY STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 30 JUNE 2023

	Note	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
Incoming Resources					
Charitable activities	5	865,269	376,704	1,241,973	1,015,710
Total Incoming resources		865,269	376,704	1,241,973	1,015,710
Expenditure on:					
Charitable activities	6	736,618	376,704	1,113,322	1,279,714
Total Expenditure		736,618	376,704	1,113,322	1,279,714
Net income / (expenditure) before transfers		128,651	-	128,651	(264,004)
Net income / (expenditure)		128,651	-	128,651	(264,004)
Reconciliation of funds:	14				
Total funds brought forward		189,626	-	189,626	453,630
Total funds carried forward		318,277	-	318,277	189,626

The statement of financial activities includes all gains and losses in the year.
All incoming resources and resources expended derive from continuing activities.

The notes on pages 22 to 33 form part of these financial statements.

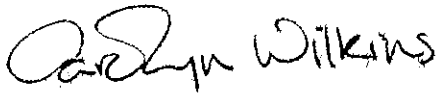
CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

CONSOLIDATED AND CHARITY STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

		Total Funds		Total Funds	
	Note	2023 Group £	2022 Group £	2023 Charity £	2022 Charity £
Fixed assets:					
Total fixed assets	10	3,117	5,676	3,117	5,676
Investment	11	-	-	2	2
		<u>3,117</u>	<u>5,676</u>	<u>3,119</u>	<u>5,678</u>
Current assets:					
Debtors	12	309,048	251,426	309,048	251,426
Cash at bank		381,349	297,645	371,033	287,329
		<u>690,397</u>	<u>549,071</u>	<u>680,081</u>	<u>538,755</u>
Liabilities:					
Creditors: amounts falling due within one year	13	(365,053)	(354,937)	(364,923)	(354,807)
Net current assets		<u>325,344</u>	<u>194,134</u>	<u>315,158</u>	<u>183,948</u>
Total net assets		<u>328,461</u>	<u>199,810</u>	<u>318,277</u>	<u>189,626</u>
Funds of the Charity:					
Restricted income funds	15	-	-	-	-
Unrestricted funds	14	328,461	199,810	318,277	189,626
Total Charity funds		<u>328,461</u>	<u>199,810</u>	<u>318,277</u>	<u>189,626</u>

These financial statements were approved by the board of trustees and authorised for issue on ##### 2023 and are signed on behalf of the board by:

C Wilkins
Trustee



Company Registration No: 4242937

The notes on pages 22 to 33 form part of these financial statements.

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

CONSOLIDATED AND CHARITY STATEMENT OF CASH FLOWS

YEAR ENDED 30 JUNE 2023

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Reconciliation of net income to net cash flow from operating activities:				
Net income	128,651	(264,004)	128,651	(264,004)
Adjustments for:				
Depreciation of tangible fixed assets	4,760	4,598	4,760	4,598
(Increase) / decrease in debtors	(57,622)	8,619	(57,622)	8,619
Increase in creditors	10,116	83,224	10,116	83,224
Net cash inflow / (outflow) from operating activities	85,905	(167,563)	85,905	(167,563)
Cashflow statement				
Net cash inflow / (outflow) from operating activities	85,905	(167,563)	85,905	(167,563)
Investing activities				
Purchase of tangible fixed assets	(2,201)	(1,334)	(2,201)	(1,334)
Net cash outflow from investing activities	(2,201)	(1,334)	(2,201)	(1,334)
Increase / (decrease) in cash	83,704	(168,897)	83,704	(168,897)
Cash and cash equivalents at 1 July 2022	297,645	466,542	287,329	456,226
Cash and cash equivalents at 30 June 2023	381,349	297,645	371,033	287,329

The notes on pages 22 to 33 form part of these financial statements.

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

1. General Information

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

2. Statement of Compliance

The financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', 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 (FRS 102) (Charities SORP (FRS 102) and the Companies Act 2006.

CLES meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). The accounts are presented in sterling (£).

3. Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

b) Preparation of the accounts on a going concern basis

2022/23 has been a positive year for CLES with a £129k surplus and with a strong pipeline for the year ahead. To date, approximately 50% of the organisation's funding for the year ahead has been secured as of end of Q1). In addition, in 2021/22 we have stated our ambition to develop longer term, larger contracts and this is beginning to happen with a range of larger new projects on stream for 2022/23. The key strategic themes identified above will provide us with a strong focus for the future and Trustees will continue to work closely with the Senior Leadership team to monitor the progress of this approach.

There are no material uncertainties about the Charity's ability to continue, therefore, the accounts have been prepared on a going concern basis.

c) Income

All incoming resources are included in the Statement of Financial Activities when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. In the following circumstances, the income is deferred and included in other creditors:

- The income relates to a future accounting period
- A sales invoice has been raised ahead of the work being carried out and there is no contractual entitlement to the income until the work has been done
- Not all the terms and conditions of the grant have been met, including the incurring of expenditure and the grant conditions are such that unspent grant must be refunded.

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

Grant Income

Grants, whether of a capital or revenue nature, are recognised when the charity has entitlement to the funds, any performance conditions have been met and it is probable that the income will be received.

Donations

Donations from individuals and other bodies (not being of the nature of a grant) are recognised when receivable.

Earned Income

Earned income is measured at the fair value of the consideration received or receivable for services and goods supplied, net of discounts and VAT.

d) Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees to further any of the Charity's purposes. Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal and fall into one of two sub-classes: restricted income funds or endowment funds.

e) Judgements and estimates

The preparation of the financial statements requires management to make certain judgements, estimates and assumptions that affect the amounts reported for assets, liabilities, revenue, and expenditure. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The items in the financial statements where these judgments and estimates have been made include:

- Determining any necessary provision for bad or doubtful debts.
- Depreciation. Fixed assets are depreciated over an estimated useful economic life, considering residual values, where appropriate.
- Valuation of the provision needed for the pension liability.

f) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure can be classified under the following activity headings:

- Costs of raising funds comprise of the costs associated with generating revenue and costs of managing investment portfolio.
- Expenditure on charitable activities includes expenditure related to the direct furtherance of the company's charitable objectives, grants payable and associated support costs.

The charity is registered for VAT and can recover of input tax charged. Costs are stated exclusive of VAT where charged.

g) Allocation of support costs

Support costs are those functions which assist the work of the charity either by supporting the delivery of charitable activities or by supporting the generation of funds. They include property costs, back office functions, staff costs and professional fees. The basis of allocation is set out in note 8.

h) Pension contributions

In respect of certain long-standing employees, the charity participates in the Greater Manchester Pension Fund (GMPF), an independently administered defined benefit scheme which is externally funded and contracted out by the State Earnings Related Pension Scheme.

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

THE GMPF is a multi-employer scheme, and in accordance with the guidance issued by the Charity Commission the charity accounts for those contributions as if it were a defined contribution scheme. It has done so because it is unable to identify its share of the underlying assets and liabilities on a consistent and reasonable basis. Contributions are charged to the SOFA in the period in which they are payable. As there are now no active members of the GMPF, CLES is in the process of exiting the scheme and negotiations about a transfer of the liability are currently in progress with a solution expected to be agreed in the next financial year 2023/24.

Employees are required to join a compulsory employer's contributory pension. The employer's contribution starts at the equivalent to 6% of their gross pay to the employees' stakeholder pension scheme, a money purchase scheme.

All pension contributions are charged to the SOFA in the year in which they are payable.

i) **Tangible fixed assets and depreciation**

Assets costing less than £500 are capitalised but written off to revenue in the year of acquisition. Depreciation is provided on the cost of tangible fixed assets in order to write off the cost after taking account of scrap values over the expected useful lives as follows:

Office equipment	- 20% straight line
Computer equipment	- over three years
Leasehold improvements	- 25% straight line

j) **Debtors**

Trade and other debtors are recognised at the settlement amount due and prepayments are valued at the amount prepaid.

k) **Cash at bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

l) **Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

m) **Financial instruments**

The charity only has basic financial instruments which are initially recorded at cost, and with the exception of investments (as set out above) subsequently measured at their settlement value.

n) **Group financial statements**

The financial statements consolidate the results of the charity and its wholly owned subsidiary, CLES European Research Network Limited, on a line by line basis.

4. **Net incoming/(outgoing) resources**

Net incoming/(outgoing) resources for the year

Include:

	2023	2022
	£	£
Depreciation of fixed assets	4,760	4,598
Audit fees	9,360	8,500
Accountancy fees	4,100	1,750
Operating lease - Buildings	21,750	21,750

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

5. Income from Charitable Activities

Group and Charity	Unrestricted Funds £	Restricted Funds £	Total 2023 £
Research and consultancy			
Fees	744,358	-	744,358
Grants	55,221	376,704	431,925
	799,579	376,704	1,176,283
Membership subscriptions	34,533	-	34,533
Events and publications	31,157	-	31,157
	865,269	376,704	1,241,973
Group and Charity			
	Unrestricted Funds £	Restricted Funds £	Total 2022 £
Research and consultancy			
Fees	721,476	-	721,476
Grants	147,928	80,960	228,888
	869,404	80,960	950,364
Membership subscriptions	34,533	-	34,533
Events and publications	30,813	-	30,813
	934,750	80,960	1,015,710

6. Analysis of Expenditure on Charitable Activities

Group and charity	Direct costs £	Direct salaries £	Support costs £	Total 2023 £
Research and consultancy	56,085	599,356	340,911	994,941
Membership subscriptions	-	10,365	43,480	54,785
Events and publications	25,128	16,257	21,740	63,596
	81,213	625,578	406,131	1,113,322
Group and charity				
	Direct costs £	Direct salaries £	Support costs £	Total 2022 £
Research and consultancy	69,922	941,801	202,207	1,213,930
Membership subscriptions	-	14,680	25,129	39,809
Events and publications	859	12,552	12,565	25,975
	70,781	969,033	239,901	1,279,714

Expenditure on charitable activities was £1,113,322 (2022: £1,279,714) of which £736,618 (2022: £1,187,977) was unrestricted and £376,704 was restricted (2022: £91,737).

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

7. Analysis of Support Costs

	Research and consultancy	Membership and subscriptions	Events and publications	Governance	Total 2023
	£	£	£	£	£
Salaries	174,392	23,889	11,945	28,667	238,893
Marketing costs	18,834	2,216	1,107	-	22,157
Establishment costs	25,510	3,001	1,500	-	30,011
Insurance	3,537	416	208	-	4,161
Legal and professional	20,824	2,450	1,225	-	24,499
Administration costs	38,913	4,578	2,290	-	45,781
Finance charges	205	24	12	-	241
Staff training and recruitment	20,986	2,469	1,235	-	24,690
Board expenses/meeting costs	-	-	-	1,578	1,578
Depreciation	4,046	476	238	-	4,760
Auditors fee	-	-	-	9,360	9,360
	307,247	39,519	19,760	(39,605)	406,131
Allocation of governance costs	33,664	3,961	1,980	(39,605)	-
	340,911	43,480	21,740	-	406,131

Analysis of Support Costs

	Research and consultancy	Membership and subscriptions	Events and publications	Governance	Total 2022
	£	£	£	£	£
Salaries	69,300	9,493	4,747	11,392	94,932
Marketing costs	17,705	2,083	1,041	-	20,829
Establishment costs	27,086	3,187	1,593	-	31,866
Insurance	3,340	393	196	-	3,929
Legal and professional	15,604	1,836	918	-	18,358
Administration costs	37,267	4,384	2,192	-	43,843
Finance charges	232	27	14	-	274
Staff training and recruitment	8,458	995	498	-	9,950
Board expenses/meeting costs	-	-	-	1,672	1,672
Depreciation	3,908	460	230	-	4,598
Auditors fee	-	-	-	9,650	9,650
	182,900	22,858	11,429	22,714	239,901
Allocation of governance costs	19,307	2,271	1,136	(22,714)	-
	202,207	25,129	12,565	-	239,901

Support costs are allocated on the following basis:

Area	Basis	Comment
Salaries	Estimate of time spent	
Marketing costs	Estimate of usage	Net of any direct attribution
Property costs	Estimate of usage	
All other costs	Estimate of usage	
Depreciation	Estimate of usage	

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

8. Auditors Remuneration

	Total 2023 £	Total 2022 £
Audit fee	9,360	8,500
Accountancy fees	4,100	1,750
	<u>13,460</u>	<u>10,250</u>

9. Staff Cost

Total staff costs were as follows

	2023 £	2022 £
Salaries and wages	757,403	731,645
Social security costs	85,518	81,039
Pension costs	26,424	251,281
	<u>869,345</u>	<u>1,063,965</u>

Number of employees

The average number of employees during the year, calculated on the basis of full-time equivalents (FTE) and average headcount (HC) was as follows:

	2023 HC	2023 FTE	2022 HC	2022 FTE
	No	No	No	No
Employees	<u>18</u>	<u>17</u>	<u>21</u>	<u>18</u>
	18	17	21	18

Higher paid staff

The number of staff whose remuneration, as recharged to the Charity, exceeded £60,000 was:

	2023 No	2022 No
£60,000 - £70,000	1	-
£90,000 - £100,000	1	1
	<u>2</u>	<u>1</u>

Key management personnel

The key management personnel of the Charity comprise the Trustees and senior staff, as set out on page 1 and the key management personnel of the group are the same. The employee benefits of the key management personnel were £257,633 (2022: £242,788).

Trustee remuneration

No trustees, or any person connected with them, have received any remuneration from the charity during the year.

During the year the charity paid travel expenses to two trustees totalling £1,081 (2022: £Nil).

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS, FOR THE YEAR ENDED 30 JUNE 2023

10. Tangible Fixed Assets

Group and charity	Leasehold improvements	Office Equipment	Computer equipment	Total
Cost or valuation	£	£	£	£
At 30 June 2022	2,655	3,735	30,012	36,402
Additions	-	-	2,201	2,201
At 30 June 2023	2,655	3,735	32,213	38,603
Depreciation				
At 30 June 2022	1,992	3,505	25,229	30,726
Charge for the year	663	101	3,996	4,760
At 30 June 2023	2,655	3,606	29,225	35,486
Net Book Value				
At 30 June 2023	-	129	2,988	3,117
At 30 June 2022	663	230	4,783	5,676

11. Fixed Asset Investments

The charity owns 100% of the issued share capital of the following company:

Name	Co. No.	Investment		Activity
		£	£	
CLES European Research Network Limited	2467769	2	2	Consultancy and research

As at 30 June 2023, the aggregate share capital and reserves of this company totalled £10,186 (2022: £10,186). The company was dormant in the current and the previous financial year.

12. Debtors

Group	2023	2022
	£	£
Trade debtors	174,725	115,756
Grants and income receivable	117,047	122,463
Prepayments and other debtors	17,276	13,207
	<u>309,048</u>	<u>251,426</u>
Charity		
Trade debtors	174,725	115,756
Grants and Income receivable	117,047	122,463
Prepayments and other debtors	17,276	13,207
	<u>309,048</u>	<u>251,426</u>

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

13. Creditors: amounts falling due within one year

Group	2023 £	2022 £
Trade creditors	23,562	13,823
Other taxes and social security	64,678	46,595
Accruals	20,190	20,776
Pension provision	172,000	200,000
Income in advance - membership	19,125	19,125
Income in advance - contracts	65,498	54,618
	<u>365,053</u>	<u>354,937</u>

Charity	2023 £	2022 £
Trade creditors	23,562	13,823
Other taxes and social security	64,548	46,465
Accruals	20,190	20,776
Pension provision	172,000	200,000
Income in advance - membership	19,125	19,125
Income in advance - contracts	65,498	54,618
	<u>364,923</u>	<u>354,807</u>

Movements in deferred income

	2023 £	2022 £
Membership income b/fwd and released in the year	(19,125)	(19,125)
Membership income c/fwd	<u>19,125</u>	<u>19,125</u>
Net movement	-	-
Contract income b/fwd and released in the year	(54,618)	(153,606)
Contract income c/fwd	<u>65,498</u>	<u>98,988</u>
Net movement	<u>(10,880)</u>	<u>54,618</u>

14. Statement of Funds

Group	1 July 2021 £	Incoming resources £	Resources expended £	Transfers £	30 June 2023 £
Unrestricted funds:					
General funds	149,810	865,269	(736,618)	50,000	328,461
Designated funds	50,000	-	-	(50,000)	-
	<u>199,810</u>	<u>865,269</u>	<u>(736,618)</u>	<u>-</u>	<u>328,461</u>
Restricted funds	-	376,704	(376,704)	-	-
Total funds	<u>199,810</u>	<u>1,241,973</u>	<u>(1,113,322)</u>	<u>-</u>	<u>328,461</u>
	1 July 2021 £	Incoming resources £	Resources expended £	Transfers £	30 June 2022 £
Unrestricted funds:					
General funds	403,037	934,750	(1,187,977)	-	149,810
Designated funds	50,000	-	-	-	50,000
	<u>453,037</u>	<u>934,750</u>	<u>(1,187,977)</u>	<u>-</u>	<u>199,810</u>
Restricted funds	10,777	80,960	(91,737)	-	-
Total funds	<u>463,814</u>	<u>1,015,710</u>	<u>(1,279,714)</u>	<u>-</u>	<u>199,810</u>

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

Statement of Funds

Charity

	1 July 2022	Incoming resources	Resources expended	Transfers	30 June 2023
	£	£	£	£	£
Unrestricted funds:					
General funds	139,626	865,269	(736,618)	50,000	318,277
Designated funds	50,000	-	-	(50,000)	-
	<u>189,626</u>	<u>865,269</u>	<u>(736,618)</u>	<u>-</u>	<u>318,277</u>
Restricted funds	-	376,704	(376,704)	-	-
Total funds	<u>189,626</u>	<u>1,241,973</u>	<u>(1,113,322)</u>	<u>-</u>	<u>318,277</u>

	1 July 2021	Incoming resources	Resources expended	Transfers	30 June 2022
	£	£	£	£	£
Unrestricted funds:					
General funds	392,853	934,750	(1,187,977)	-	139,626
Designated funds	50,000	-	-	-	50,000
	<u>442,853</u>	<u>934,750</u>	<u>(1,187,977)</u>	<u>-</u>	<u>189,626</u>
Restricted funds	10,777	80,960	(91,737)	-	-
Total funds	<u>453,630</u>	<u>1,015,710</u>	<u>(1,279,714)</u>	<u>-</u>	<u>189,626</u>

15. Movements in Restricted Funds

Group and Charity

	1 July 2022	Incoming resources	Resources expended	30 June 2023
	£	£	£	£
Project funds:				
Scottish Government secondment	-	30,662	(30,662)	-
Barrow Cadbury Trust - Anchor Network	-	1,982	(1,982)	-
NIHR Public Health Research Programme	-	22,234	(22,234)	-
Power to Change	-	107,766	(107,766)	-
LGIU	-	20,000	(20,000)	-
Alex Ferry Foundation	-	15,300	(15,300)	-
Regional Action Plan	-	132,260	(132,260)	-
Columbia Threadneedle	-	46,500	(46,500)	-
	<u>-</u>	<u>376,704</u>	<u>(376,704)</u>	<u>-</u>

Group and Charity

	1 July 2021	Incoming resources	Resources expended	30 June 2022
	£	£	£	£
Project funds:				
Scottish Government secondment	-	30,662	(30,662)	-
Barrow Cadbury Trust - Anchor Network	5,668	44,598	(50,266)	-
NIHR Public Health Research Programme	-	10,809	(10,809)	-
Power to Change	5,109	(5,109)	-	-
	<u>10,777</u>	<u>80,960</u>	<u>(91,737)</u>	<u>-</u>

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

Description of Restricted Funds

Project funds:	Purpose
Scottish Government	Secondment to the Scottish Government to support the development of Community Wealth Building in a Scottish context.
Power to Change	Funding directly via OSF as a legacy funding arrangement as they withdrew from UK.
Barrow Cadbury – Sandwell & Black Country	Sandwell & Black CPuntry CWB in residence
NIHR	Public Health Research Programme
LGIU	Future of economic development
Alex Ferry Foundation	Research into Freeports policy in England
Columbia Threadneedle	Investigation into women's experience of the economy in Leeds.
Regional Action Plan	Action Plan for a New Economy
Barrow Cadbury Trust – Anchor Network	Network facilitation

16. Analysis of Net Assets between Funds

Charity

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Tangible fixed assets	3,117	-	3,117
Investments	2	-	2
Current assets	680,081	-	680,081
Current liabilities	(364,923)	-	(364,923)
	<u>318,277</u>	<u>-</u>	<u>318,277</u>

Charity

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Tangible fixed assets	5,676	-	5,676
Investments	2	-	2
Current assets	538,755	-	538,755
Current liabilities	(354,807)	-	(354,807)
	<u>189,626</u>	<u>-</u>	<u>189,626</u>

17. Taxation

The income and gains of the charity are exempt from taxation to the extent they are applied to its charitable objectives

18. Capital Commitments

The charity had no capital commitments at the year-end (2022: £Nil).

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

19. Operating Lease Commitments

The charity and group had the following future minimum commitments under non-cancellable operating leases:

	Group 2023	Charity 2023	Group 2022	Charity 2022
	£	£	£	£
Not later than one year	7,806	7,806	21,720	21,720
Later than one year and not later than five years	-	-	7,806	7,806
	<u>7,806</u>	<u>7,806</u>	<u>29,526</u>	<u>29,526</u>

20. Related Party Transactions

There are no related party transactions that require to be disclosed.

21. Greater Manchester Pension Fund

In respect of certain long-standing employees, the charity participates in the Greater Manchester Pension Fund (GMPF), an independently administered defined benefit scheme which is externally funded and contracted out by the State Earnings Related Pension Scheme. THE GMPF is a multi-employer scheme, and in accordance with the guidance issued by the Charity Commission the charity accounts for those contributions as if it were a defined contribution scheme.

It has done so because is unable to identify its share of the underlying assets and liabilities on a consistent and reasonable basis. Contributions are charged to the SOFA in the period in which they are payable. As there are now no active members of the GMPF, CLES is in the process of exiting the scheme and negotiations about a transfer of the liability are currently well advanced with an agreement expected in the next financial year 2023/24.

Employees are required to join a compulsory employer's contributory pension. The employer's contribution starts at the equivalent to 6% of their gross pa to the employees' stakeholder pension scheme, a money purchase scheme.

All pension contributions are charged to the SOFA in the year in which they are payable.

22. Analysis of Changes in Net Debt

Group	1 July 2022	Cashflows	30 June 2023
	£	£	£
Cash at bank and in hand	297,645	83,704	381,349
	<u>297,645</u>	<u>83,704</u>	<u>381,349</u>

Charity	1 July 2022	Cashflows	30 June 2023
	£	£	£
Cash at bank and in hand	287,329	83,704	371,033
	<u>287,329</u>	<u>83,704</u>	<u>371,033</u>

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

23. Prior year Consolidated Statement of Financial Activities

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
Incoming Resources				
Charitable activities	934,750	80,960	1,015,710	976,686
Other Income	-	-	-	7,930
Total Incoming resources	934,750	80,960	1,015,710	984,616
Expenditure on:				
Charitable activities	1,187,977	91,737	1,279,714	923,139
Total Expenditure	1,187,977	91,737	1,279,714	923,139
Net (expenditure)/Income before transfers	(253,227)	(10,777)	(264,004)	(61,477)
Net Income / (expenditure)	(253,227)	(10,777)	(264,004)	(61,477)
Reconciliation of funds:				
Total funds brought forward	442,853	10,777	453,630	392,153
Total funds carried forward	189,626	-	189,626	453,630

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

England & Wales - Charity number 1089503

Accounts

Charity Number: 1089503

Company Number: 4242937

CENTRE FOR LOCAL AND ECONOMIC STRATEGIES LIMITED
ANNUAL REPORT
AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

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CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

TRUSTEES' ANNUAL REPORT (INCORPORATING THE STRATEGIC AND DIRECTORS' REPORT) FOR THE YEAR ENDED 30 JUNE 2022

Legal, reference and administrative information

Other name used:	CLES Limited
Registered Charity number:	1089503
Registered Company number:	4242937
Principal and Registered Office:	52 Oak Street, Swan Square, Manchester, M4 5JA
Trustees:	N P Bolger Cllr B Craig P Dennett A Donald A C Evans (resigned 3 August 2022) D C Hyland Cllr D P Meller G Rowe G E Steward (resigned 30 April 2022) C Wilkins (Chair) R Deegan H Thomas
Secretary:	S L Longlands – appointed 9 July 2021
Senior Leadership Team	
Chief Executive	S Longlands
Other Members of the team	T Lloyd Goodwin S MacDonald
Auditor:	S Hutchinson FCCA Senior Statutory Auditor Beever and Struthers Chartered Accountants One Express 1 George Leigh Street Manchester M4 5DL
Bankers:	Co-operative Bank PLC 1 Balloon Street Manchester M60 4EP
Solicitors:	Bates, Wells & Braithwaite 61 Charterhouse Street London EC1M 6HA

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

TRUSTEES' ANNUAL REPORT (INCORPORATING THE STRATEGIC AND DIRECTORS' REPORT) FOR THE YEAR ENDED 30 JUNE 2022

The Trustees present their annual trustees' report and financial statements for the Charity and its subsidiary for the year ended 30 June 2022 which are also prepared to meet the requirements for a strategic and directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Our objectives and activities

The objectives of the Charity are to:

- Educate the public by exclusively charitable means and in particular to promote, encourage and conduct research into subjects connected with the formulation, direction, organisation, administration and effects of economic, fiscal, regeneration and employment policies and initiatives in the United Kingdom whether on a local, regional or national level and all related subjects and disciplines including those of an international character and to publish the useful results of such research.
- Promote sustainable development for the public benefit, by promoting sustainable means of achieving local economic growth and regeneration.
- Promote the effectiveness and efficiency of the charitable and voluntary sector for the public benefit by providing advice, information, training and seminars on subjects related to the contribution made by the charitable and voluntary sector to the creation and development of local communities and places.

In shaping our objectives for the year and planning our activities, we have been informed by the Charity Commission guidance on public benefit and many of our publications and activity is free to view and download.

Aims

Our specific charitable objectives have translated into a range of aims. These are:

- Act as a champion to places and communities experiencing social, economic, and environmental inequality and lack of opportunity.
- Work to improve the effectiveness of local groups, agencies, and government in addressing these problems by informing policy and developing practice.
- Develop highly motivated and well-trained public officials who should, as far as possible, reflect the diverse communities in which they serve.
- Inform and educate the public and stakeholders about the value and benefits to local economies of high-quality public services, this includes publishing and distribution of pamphlets, reports, leaflets, journals, films, tapes and instructional matter on any medium.
- Promote, encourage, carry out or commission research, surveys, studies or other work, making the useful results available.
- Organise and assist in the provision of conferences, courses of instruction, exhibitions, lectures, and other educational activities.

CLES owns 100% of the subsidiary company, CLES European Research Limited

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

TRUSTEES' ANNUAL REPORT (INCORPORATING THE STRATEGIC AND DIRECTORS' REPORT) FOR THE YEAR ENDED 30 JUNE 2022

Public Benefit

The Trustees have had regard to the guidance issued by the Charity Commission with regard to public benefit.

Although most of the charity's work is undertaken through paid assignments, in almost all cases clients are willing to allow the results of the work to be more widely disseminated so as to the benefit of the public. In focusing its efforts in particular work areas CLES takes account of the relative public benefit expected to flow from work, as well as considering the financial viability of the activities.

CLES has a wholly owned subsidiary, CLES European Research Network Limited (CERN), which was set up to carry out commercial consultancy work. The company is currently dormant.

Achievements and Performance

We continue to operate in a challenging operating environment: with the ongoing impact of the pandemic alongside a very uncertain and volatile economic and political context. This context has generated a very difficult context for the core audiences for our work, particularly local government which has come under increasing pressure in recent years with knock on effects for its ability to work with CLES.

Despite this context, we have however had a productive year and of note have recruited a new Chief Executive who has hit the ground running and invested development time in developing thematic and research priorities for our work. During her first year, there have been three key priorities:

1. **Consolidate our strengths in community wealth building:** Building on our reputation as the UK lead organisation for community wealth building to build relationships, publish new research and publications and convene discussions on emerging themes for community wealth building. This has included continuing to build relationships with key partners in the UK including the Scottish, Welsh and Northern Ireland Governments, Local government (particularly where we have existing relationships) and through our events such as our Annual Summit in November 2021 and our online discussion events and podcasts which featured the author, Kate Raworth and former CLES CEO Nell McInroy.
2. **Community wealth building 2.0. Taking community wealth building forward:** We now have extensive experience and understanding of community wealth building in the UK and beyond. During 2021 we have sought to develop community wealth building further, particularly thinking about its application in relation to the environmental crisis and its implementation at the regional level (including work to develop a Regional Economic Development Strategy for Ayrshire). We have also sought to position community wealth building as a key component of the wider progressive movement for new economic change.
3. **CLES Futures- new ideas for economic change:** An important component of our work in 2021/22 was to invest in the development of new ideas for economic change which didn't necessarily have to be understood through a community wealth building lens. This has included investing in staff time to develop new ideas based on our existing work and the wider emerging issues for local economies to help identify key thematic areas which would provide a set of key priorities for CLES' CLES future research and delivery work across the UK and beyond. To this end, more than 12 new projects have been developed by the staff team across the year including work on inward investment, freeports, levelling up, social care and culture/town centres. We have now established an internal CLES Ideas Lab, curated by the CLES team, which provides a catalyst for ideas creation and development including identification of future funding and partners.

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

TRUSTEES' ANNUAL REPORT (INCORPORATING THE STRATEGIC AND DIRECTORS' REPORT) FOR THE YEAR ENDED 30 JUNE 2022

Summary of key impacts during 2021/22

Below summarises some of our key highlights from 2021/22 and help to demonstrate the ongoing impact of our work across the UK and beyond.

Project and research work:

- Secured 35 new projects with a range of organisations including local government, academia and civil society organisations. We also secured grant funding for our work from the Friends Provident Foundation and the Open Society Foundation.
- Secured grant funding from the Barrow Cadbury Trust secured to support our second 'Community Wealth Builder in Residence' in Sandwell;
- Delivered grant funded project for Barrow Cadbury and the National Institute of Health Research (NIHR).

Communications and media

- Published 14 specific reports, free to view on website and disseminated to members, network and the public.
- Published 33 blogs and articles on our website and social media channels.
- Developed content including blogs and opinion pieces for a range of outlets including The Municipal Journal, Local Government Chronicle and The New Statesman.
- Increased our broadcast media output with appearances on Times Radio, Radio 4 Today Programme, BBC Politics on Sunday, BBC Radio Manchester, and LBC.
- Gave over 100 lectures/presentations/workshops.

Relationship development and support;

- Supported our CLES members - Belfast City Council, Bury Metropolitan Borough Council, Salford City Council, Manchester City Council, Transport for Greater Manchester, Preston City Council.
- Senior officials within Scottish, Welsh and Northern Ireland Governments, as well as at Whitehall. This has included a continuation of the secondment of our previous chief executive, Neil McInroy to the Scottish government for 2 days a week;
- Deeper working with the Combined Authorities of South Yorkshire Mayoral Combined Authority, and Greater Manchester Combined Authority, particularly in the development of the community wealth building 'hub' concept.
- Built a new relationship in the Republic of Ireland, specifically with Dublin City Council to support them in the development of a Community Wealth Building implementation plan.

Events and convening

- Delivered 18 paid events/training events on community wealth building with a range of organisations across the UK.
- Hosted our fourth annual Community wealth building summit (held online due to Covid) which attracted up to 200 attendees and sponsorship from Power to Change, The Democracy Collaborative and Barrow Cadbury.
- Convened four communities of practice including with the NHS, Local government Officers and leaders and housing.
- Hosted fringe events at the Labour and Conservative Party Conferences.

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

TRUSTEES' ANNUAL REPORT (INCORPORATING THE STRATEGIC AND DIRECTORS' REPORT) FOR THE YEAR ENDED 30 JUNE 2022

Internal Management Systems and Governance

- Developed and implemented a new structure for line management to ensure that the organisation has a system of ongoing line management support and to enable opportunities for training and progression.
- Undertaken a restructure of the senior staff team.
- Following the resignation of our Chair, Gill Steward, we have successfully recruited a new set of Trustees to the CLES Board including a new Chair and 2 new Trustees.

Future Plans

During 2021/22, we have invested significantly in examining the organisations theory of change and how to consolidate the strengths that we already have within our work and within the team. This has elevated the importance of our charitable aims and objectives and encouraged us to think about how we can continue to strengthen our influence and impact in line with our charitable aims and purpose.

Our future plans for 2022/23 will be to develop a programmatic approach to our work under a number of key priorities with the intention of securing longer term funded work. These will include:

- **The Future of Local economies:** Building on our work in 2021/22 this programme of work will set out a new agenda for local economies, drawing on recent research. It will examine some of the key challenges facing our places at the current time (including environmental crisis and cost of living) and will aim to help places put in inclusive place strategies and actions to help respond effectively to the current crises. The aim is to support local authorities and their partners to create places which generate good lives for people. This will include a critique of the growth debate and the importance of gender inclusion.
- **Strengthening Community wealth building:** Community wealth building will continue to be a core theme of our work as we continue to roll out community wealth building approaches in areas across the UK. In particular we will work on:
 - Redeveloping and strengthening our work on key levers/principles including our work on land and property (including housing), finance and ownership.
 - Anchor organisations work – continuing to explore and deepen our existing work on anchor organisations and networks.
 - How community wealth building can be used to support local economies in a way which helps address the environmental crisis. It will highlight examples of good practice and what it takes to integrate local economic and environmental agendas.
- **Progressive inward investment:** working with partners in academia, CLES will continue to explore how local leaders can address the extractive nature of inward investment and what progressive approaches (including the role of regulation) could look like.
- **Local State Power:** A programme of work examining the importance of the local state in a time of crisis drawing lessons from what has happened on the cost of living crisis and the pandemic. This work will include a range of areas including the importance of health and wealth.

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

TRUSTEES' ANNUAL REPORT (INCORPORATING THE STRATEGIC AND DIRECTORS' REPORT) FOR THE YEAR ENDED 30 JUNE 2022

Internally, we will also be prioritising a number of key organisational actions going forward:

- **Development of CLES' regional reach including** strengthening our presence in the UK's regions including Wales, Scotland and potentially, the Republic of Ireland. This will also be complemented by continuing to develop our relationships with the combined mayoral authorities in England (including London).
- **Implementation of a four day week trial** for CLES team to support wellbeing and staff retention.

Financial Review

Overview

The financial figures for 2021/22 show that CLES made a £264k loss. As reported the Charity is in the process of exiting from the Greater Manchester Pension Fund (GMPF) and is currently in negotiations to transfer the liability to their guarantor. At the time of writing the estimated cost of this liability is expected to be approximately £200,000 to be repaid over an agreed length of time to the guarantor and this has been provided for in the financial statements. The loss, excluding this provision, was therefore £64k against a forecast budget loss of £78k, a positive variance.

Reserves for the organisation at the end of the year stood at £200k which is 2.04 months of operating costs (this does not include £50k designated funds for themed development which have been topped back up for 2022/23).

Despite the ongoing difficulties of Covid-19 and the disruption that this has created for our work, the organisation has managed the transition to a new Chief Executive and the year has been opportunity to review the organisations systems and processes and begin to develop a future strategy for the organisation longer term.

To monitor financial risks within the organisation, CLES continues to regularly review its financial situation on monthly basis within the Senior Management Team and on a quarterly basis with the Board of Trustees and Directors.

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

TRUSTEES' ANNUAL REPORT (INCORPORATING THE STRATEGIC AND DIRECTORS' REPORT) FOR THE YEAR ENDED 30 JUNE 2022

Risk management

The trustees and executive team have a risk management strategy and approach which comprises:

- A review of principal risks and uncertainties that the charity and the subsidiary (CERN Ltd) face;
- A range of established and well-honed policies, systems and procedures to mitigate those risks identified.

Our exposure to changes in the marketplace and knock on effect on financial stability is the most significant financial risk. A key element of managing this risk, is a regular review of incoming resources, projected forward 12 months. This includes consideration of plurality of funding sources, mitigating against overdependence on a singular funder. In addition, there is a regular review of cashflow. We have an ongoing process of issuing sales invoices and proactive debt chasing. Trustees discuss the quarterly management accounts, and regular meetings and discussions take place separate to the formal board meetings.

A key risk for CLES is that the average size of contracts that we've typically secured in recent years has tended to be small. Therefore, going forward, we are keen to prioritise larger, longer-term contracts which provide greater financial sustainability and the capacity for us to deliver good outcomes in terms of research, impact and on the ground delivery of local economic change.

Another area of potential risk identified, is around the retention of key staff. In this, CLES strives to offer competitive salaries, good terms and conditions, with opportunities for staff development. We aim to foster a staff culture which promotes dialogue and generally supports an enjoyable and fulfilling workplace. This year, we are also trialling the implementation of a four-day week for six months. We have taken this step in recognition of the need to ensure that job opportunities at CLES remain attractive and competitive in what is an increasingly competitive labour market.

Going Concern

Whilst CLES made a loss in 2021/22, the outlook for 2022/23 is positive and the organisation has already secured more than 50% of its funding already for the year ahead.

As outlined above, we have identified a number of key thematic areas of focus for our work in 2022/23 and will be continuing to work closely with Trustees to identify opportunities to progress our charitable purpose and aims on an ongoing basis.

Principal funding sources

CLES has a plurality of funding sources, which creates resilience. This includes:

- Grant awards from philanthropic funders, who share CLES's objectives, and allow the centre to develop a range of work pertaining towards employment, regeneration and social policy around the general themes of sustainable development.
- Commissioned activities from combined and local government, which are concomitant to charitable aims and allow us to explore, develop and share practice amongst the wider community and public.
- Other sources of funding include academic funds and support from larger civil society organisations.

New relationships which cover different geographies and variants of the charities core charitable purposes are also actively pursued on an ongoing basis.

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

TRUSTEES' ANNUAL REPORT (INCORPORATING THE STRATEGIC AND DIRECTORS' REPORT) FOR THE YEAR ENDED 30 JUNE 2022

Reserves

The charity has a longstanding reserves policy, which targets the desirable level of free reserves at between 4-6 months' revenue which equates to £384,641.

At 30 June 2022 the Charity holds £199,810 (2021: £463,814) in reserves, of which £nil (2021: £10,777) are restricted. A further £5,676 (2021: £8,940) are represented by tangible fixed assets, leaving £194,134 (2021: £444,097) in free reserves.

STRUCTURE GOVERNANCE AND MANAGEMENT

Governing document

CLES is a charitable company limited by guarantee governed by its memorandum and articles of association dated 28th June 2001, as amended by Special Resolution dated 16th December 2010, 13th August 2012 and as per byelaws on Trustee appointment agreed in 2015.

Governance

CLES has a well-established structure of governance, which has served the organisation effectively in recent years. In the last year there has been some movement in the Board and a process launched during 2022 to recruit new board members to the organisation. This process has been completed successfully and the new board members are currently being inducted on to the board. The annual retrials meeting detailed in our governance document ensures a regular review of board membership.

Chief Executive

The day to day management of the organisation is delegated to the Chief Executive, Dr Sarah Longlands.

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

TRUSTEES' ANNUAL REPORT (INCORPORATING THE STRATEGIC AND DIRECTORS' REPORT) FOR THE YEAR ENDED 30 JUNE 2022

Trustee induction and training

We recruit trustees who have extensive experience of charities and boards.

Organisation

The full board meets four times a year. Meetings concur with end of quarter financial work and reporting and usually last up to 2 ½ hours. They usually take place in Manchester/London (occasionally elsewhere), taking into account the geographical spread of trustees.

The CEO meets with the Chair in regular 1 to 1's on at least a monthly basis. In these meetings ongoing operational considerations are discussed, as well as longer term goals in relation to organisational objectives and business plan. Agenda and content for any forthcoming Board meetings are also discussed.

On occasion sub-committees are formed. These look at issues raised which need a deeper consideration. In 2021/22 sub committees have been formed in relation to board recruitment and GMPF Pension scheme.

There is a clear understanding of delegated and non-delegated authority to the CEO. Non delegated authority includes Governance policy, staff terms and conditions, annual budget, remuneration of the CEO. Delegated areas include all areas of day to day operations, recruitment, remuneration of staff (excluding the CEO).

Pay and remuneration for senior staff

The CEO's pay and remuneration is decided by the Board. This takes place via an appraisal process, conducted by the Board.

All other senior staff appraisals are conducted by the CEO and Operations manager, with recommendations going to the board for assessment in accordance with annual budget considerations.

Co-operation with other organisations

From time-to-time CLES interacts with many other organisations and charities but there are no existing institutional co-operation agreements.

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

TRUSTEES' ANNUAL REPORT (INCORPORATING THE STRATEGIC AND DIRECTORS' REPORT) FOR THE YEAR ENDED 30 JUNE 2022

Trustees' responsibilities in relation to the financial statements

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

Company law requires the Charity Trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, 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 applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

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

Trustees' statement of disclosure of information

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as each trustee is aware, there is no relevant audit information of which the charity's auditor is unaware; and
- each trustee has taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Small Company Provisions and Approval

The report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

The Trustees' annual report, incorporating director's report were approved on 18.2.2023 and signed on behalf of the board of Trustees, and signed on the board's behalf by:

Carolyn Wilkins
Trustee



CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CENTRE FOR LOCAL AND ECONOMIC STRATEGIES LIMITED

Opinion

We have audited the financial statements of Centre for Local and Economic Strategies Limited ("the charitable company") for the year ended 30 June 2022 which comprise the Consolidated Statement of Financial Activities (including Income and Expenditure Account), the Charity Statement of Financial Activities (including Income and Expenditure Account), the Consolidated and Charity Statement of Financial Position, the Consolidated and Charity Statement of Cash Flows and the Notes to the Financial Statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS102 "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 Group's and of the Parent Charitable Company's affairs as at 30 June 2022 and of the Group's Incoming resources and application of resources and the Parent Charitable Company's Incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are Independent of the Group and the Parent Charitable Company in accordance with the ethical requirements 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.

Other matter – comparative period

The comparative period was not subject to audit because the charitable company took advantage of the small company audit exemption in the previous accounting period.

Conclusions related 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 Group and the Parent 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 (who are also the directors for the purposes of company law) are responsible for the other information. Our opinion on the financial statements does not

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CENTRE FOR LOCAL AND ECONOMIC STRATEGIES LIMITED

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

We have nothing to report in this regard.

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' Report, which includes the Directors' Report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report, which is included in the Trustees' Report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustee's report.

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

- adequate accounting records have not been kept by the Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' responsibilities, 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 Group's and the Parent 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 Group or the Parent Charitable Company or to cease operations, or have no realistic alternative but to do so.

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CENTRE FOR LOCAL AND ECONOMIC STRATEGIES LIMITED

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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Extent to which the audit was considered capable of detecting Irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws, regulations and guidance that affect the Charitable Company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws, regulations and guidance that we identified included the Companies Act 2006, tax legislation, health and safety legislation and employment legislation.
- We enquired of the Trustees and reviewed correspondence and Trustee meeting minute for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Trustees have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Trustees have in place to prevent and detect fraud. We enquired of the Trustees about any incidence of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks.
- We reviewed the financial statements disclosures and supporting documentation to assess compliance with relevant laws and regulations.
- We enquired of the Trustees about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of controls we tested the appropriateness of journal entries and assessed whether the judgments made in making accounting estimates were indicative of a potential bias.

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CENTRE FOR LOCAL AND ECONOMIC STRATEGIES LIMITED

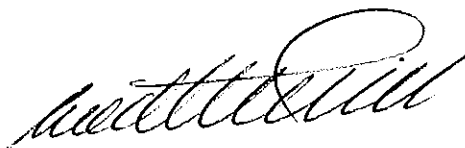
Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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 Charitable 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 anyone other than the Charitable Company and the Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Sue Hutchinson FCCA (Senior Statutory Auditor)
For and on behalf of

Beever and Struthers
Statutory Auditor
One Express
1 George Leigh Street
Manchester
M4 5DL

Date: 29 March 2023

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 30 JUNE 2022

	Note	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
Incoming Resources					
Charitable activities	5	934,750	80,960	1,015,710	976,686
Other Income	6	-	-	-	7,930
Total Incoming resources		934,750	80,960	1,015,710	984,616
Expenditure on:					
Charitable activities	7	1,187,977	91,737	1,279,714	923,139
Total Expenditure		1,187,977	91,737	1,279,714	923,139
Net (expenditure) / income before transfers		(253,227)	(10,777)	(264,004)	61,477
Net (expenditure) / Income		(253,227)	(10,777)	(264,004)	61,477
Reconciliation of funds:	15				
Total funds brought forward		453,037	10,777	463,814	402,337
Total funds carried forward		199,810	-	199,810	463,814

The statement of financial activities includes all gains and losses in the year.
All incoming resources and resources expended derive from continuing activities.

The notes on pages 19 to 30 form part of these financial statements.

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

CHARITY STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 30 JUNE 2022

	Note	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
Incoming Resources					
Charitable activities	5	934,750	80,960	1,015,710	976,686
Other income	6	-	-	-	7,930
Total Incoming resources		934,750	80,960	1,015,710	984,616
Expenditure on:					
Charitable activities	7	1,187,977	91,737	1,279,714	923,139
Total Expenditure		1,187,977	91,737	1,279,714	923,139
Net (expenditure) / income before transfers		(253,227)	(10,777)	(264,004)	61,477
Net (expenditure) / income		(253,227)	(10,777)	(264,004)	61,477
Reconciliation of funds:	15				
Total funds brought forward		442,853	10,777	453,630	392,153
Total funds carried forward		189,626	-	189,626	453,630

The statement of financial activities includes all gains and losses in the year.
All incoming resources and resources expended derive from continuing activities.

The notes on pages 19 to 30 form part of these financial statements.

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

CONSOLIDATED AND CHARITY STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

		Total Funds		Total Funds	
	Note	2022 Group £	2021 Group £	2022 Charity £	2021 Charity £
Fixed assets:					
Total fixed assets	11	5,676	8,940	5,676	8,940
Investment	12	-	-	2	2
		<u>5,676</u>	<u>8,940</u>	<u>5,678</u>	<u>8,942</u>
Current assets:					
Debtors	13	251,426	260,045	251,426	260,045
Cash at bank		297,645	466,542	287,329	456,226
		<u>549,071</u>	<u>726,587</u>	<u>538,755</u>	<u>716,271</u>
Liabilities:					
Creditors: amounts falling due within one year	14	(354,937)	(271,713)	(354,807)	(271,583)
Net current assets		<u>194,134</u>	<u>454,874</u>	<u>183,948</u>	<u>444,688</u>
Total net assets		<u>199,810</u>	<u>463,814</u>	<u>189,626</u>	<u>453,630</u>
Funds of the Charity:					
Restricted income funds	16	-	10,777	-	10,777
Unrestricted funds	15	199,810	453,037	189,626	442,853
Total Charity funds		<u>199,810</u>	<u>463,814</u>	<u>189,626</u>	<u>453,630</u>

These financial statements were approved by the board of trustees and authorised for issue on 18th February 2023 and are signed on behalf of the board by:


 C Wilkins
 Trustee

Company Registration No: 4242937

The notes on pages 19 to 30 form part of these financial statements.

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

CONSOLIDATED AND CHARITY STATEMENT OF CASH FLOWS

YEAR ENDED 30 JUNE 2022

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Reconciliation of net income to net cash flow from operating activities:				
Net Income	(264,004)	61,477	(264,004)	61,477
Adjustments for:				
Depreciation of tangible fixed assets	4,598	3,951	4,598	3,951
Decrease / (increase) in debtors	8,619	(95,714)	8,619	(95,714)
Increase/(decrease) in creditors	83,224	(22,238)	83,224	(22,238)
Net cash outflow from operating activities	(167,563)	(52,524)	(167,563)	(52,524)
Cashflow statement				
Net cash outflow from operating activities	(167,563)	(52,524)	(167,563)	(52,524)
Investing activities				
Purchase of tangible fixed assets	(1,334)	(5,040)	(1,334)	(5,040)
Net cash outflow from investing activities	(1,334)	(5,040)	(1,334)	(5,040)
Decrease in cash	(168,897)	(57,564)	(168,897)	(57,564)
Cash and cash equivalents at 1 July 2021	466,542	524,106	456,226	513,790
Cash and cash equivalents at 30 June 2022	297,645	466,542	287,329	456,226

The notes on pages 19 to 30 form part of these financial statements.

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

1. General Information

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

2. Statement of Compliance

The financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', 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 (FRS 102) (Charities SORP (FRS 102)) and the Companies Act 2006.

CLES meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). The accounts are presented in sterling (£).

3. Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

b) Preparation of the accounts on a going concern basis

The trustees have reviewed the charities forecasts and projections and have considered the impact of the Pandemic, alongside the difficult economic and political context including the cost of living crisis, inflation and political instability. Whilst the eventual financial impact on the charity and on the overall economy, remains uncertain the trustees are confident the charity has the systems in place to mitigate the risks and that it will remain in existence for the foreseeable future.

The Charity is in the process of exiting from the Greater Manchester Pension Fund (GMPF) and is currently in negotiations to transfer the liability to their guarantor. At the time of writing the estimated cost of this liability is expected to be approximately £200,000 to be repaid over an agreed length of time to the guarantor. The formal valuation figure is expected to be made available by December 2022.

There are no material uncertainties about the Charity's ability to continue, therefore, the accounts have been prepared on a going concern basis.

c) Income

All incoming resources are included in the Statement of Financial Activities when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. In the following circumstances, the income is deferred and included in other creditors:

- The income relates to a future accounting period
- A sales invoice has been raised ahead of the work being carried out and there is no contractual entitlement to the income until the work has been done
- Not all the terms and conditions of the grant have been met, including the incurring of expenditure and the grant conditions are such that unspent grant must be refunded.

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Grant Income

Grants, whether of a capital or revenue nature, are recognised when the charity has entitlement to the funds, any performance conditions have been met and it is probable that the income will be received.

Donations

Donations from individuals and other bodies (not being of the nature of a grant) are recognised when receivable.

Earned Income

Earned income is measured at the fair value of the consideration received or receivable for services and goods supplied, net of discounts and VAT.

d) Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees to further any of the Charity's purposes. Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal and fall into one of two sub-classes: restricted income funds or endowment funds.

e) Judgements and estimates

The preparation of the financial statements requires management to make certain judgements, estimates and assumptions that affect the amounts reported for assets, liabilities, revenue, and expenditure. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The items in the financial statements where these judgments and estimates have been made include:

- Determining any necessary provision for bad or doubtful debts.
- Depreciation. Fixed assets are depreciated over an estimated useful economic life, considering residual values, where appropriate.
- Valuation of the provision needed for the pension liability.

f) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure can be classified under the following activity headings:

- Costs of raising funds comprise of the costs associated with generating revenue and costs of managing investment portfolio.
- Expenditure on charitable activities includes expenditure related to the direct furtherance of the company's charitable objectives, grants payable and associated support costs.

The charity is registered for VAT and can recover of input tax charged. Costs are stated exclusive of VAT where charged.

g) Allocation of support costs

Support costs are those functions which assist the work of the charity either by supporting the delivery of charitable activities or by supporting the generation of funds. They include property costs, back office functions, staff costs and professional fees. The basis of allocation is set out in note 8.

h) Pension contributions

In respect of certain long-standing employees, the charity participates in the Greater Manchester Pension Fund (GMPF), an independently administered defined benefit scheme which is externally funded and contracted out by the State Earnings Related Pension Scheme. THE GMPF is a multi-employer scheme, and in accordance with the guidance issued by the Charity Commission the charity accounts for those contributions as if it were a defined contribution scheme. It has done so because it

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

is unable to identify its share of the underlying assets and liabilities on a consistent and reasonable basis. Contributions are charged to the SOFA in the period in which they are payable. As there are now no active members of the GMPF, CLES is in the process of exiting the scheme and negotiations about a transfer of the liability are currently in progress with a solution expected to be agreed by 2023.

Employees are required to join a compulsory employer's contributory pension. The employer's contribution starts at the equivalent to 6% of their gross pay to the employees' stakeholder pension scheme, a money purchase scheme.

All pension contributions are charged to the SOFA in the year in which they are payable.

i) **Tangible fixed assets and depreciation**

Assets costing less than £500 are capitalised but written off to revenue in the year of acquisition. Depreciation is provided on the cost of tangible fixed assets in order to write off the cost after taking account of scrap values over the expected useful lives as follows:

Office equipment	- 20% straight line
Computer equipment	- over three years
Leasehold Improvements	- 25% straight line

j) **Debtors**

Trade and other debtors are recognised at the settlement amount due and prepayments are valued at the amount prepaid.

k) **Cash at bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

l) **Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

m) **Financial instruments**

The charity only has basic financial instruments which are initially recorded at cost, and with the exception of investments (as set out above) subsequently measured at their settlement value.

n) **Group financial statements**

The financial statements consolidate the results of the charity and its wholly owned subsidiary, CLES European Research Network Limited, on a line by line basis.

4. Net (outgoing)/incoming resources

Net (outgoing)/incoming resources for the year	2022	2021
Include:		
	£	£
Depreciation of fixed assets	4,598	3,951
Audit fees	8,500	-
Independent examiners' fees	-	1,750
Accountancy fees	1,750	1,250
Operating lease - Buildings	21,750	21,750

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

5. Income from Charitable Activities Group and Charity

	Unrestricted Funds £	Restricted Funds £	Total 2022 £
Research and consultancy			
Fees	721,476	-	721,476
Grants	147,928	80,960	228,888
	869,404	80,960	950,364
Membership subscriptions	34,533	-	34,533
Events and publications	30,813	-	30,813
	934,750	80,960	1,015,710

Group and Charity

	Unrestricted Funds £	Restricted Funds £	Total 2021 £
Research and consultancy			
Fees	657,547	-	657,547
Grants	155,378	98,379	253,757
	812,925	98,379	911,304
Membership subscriptions	33,366	-	33,366
Events and publications	32,016	-	32,016
	878,307	98,379	976,686

6. Other Income

Group and Charity

	Unrestricted Funds £	Total 2022 £	Total 2021 £
Job Retention Scheme Income	-	-	7,930

7. Analysis of Expenditure on Charitable Activities

Group and charity

	Direct costs £	Direct salaries £	Support costs £	Total 2022 £
Research and consultancy	69,922	941,801	202,207	1,213,930
Membership subscriptions		14,680	25,129	39,809
Events and publications	859	12,552	12,565	25,975
	70,781	969,033	239,901	1,279,714

Group and charity

	Direct costs £	Direct salaries £	Support costs £	Total 2021 £
Research and consultancy	66,841	611,128	170,908	848,877
Membership subscriptions	-	17,896	21,426	39,322
Events and publications	7,273	16,954	10,713	34,940
	74,114	645,978	203,047	923,139

Expenditure on charitable activities was £1,279,714 (2021: £923,139) of which £1,187,977 (2021: £821,329) was unrestricted and £91,737 was restricted (2021: £101,810).

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

8. Analysis of Support Costs

	Research and consultancy £	Membership and subscriptions £	Events and publications £	Governance £	Total 2022 £
Salaries	69,300	9,493	4,747	11,392	94,932
Marketing costs	17,705	2,083	1,041	-	20,829
Establishment costs	27,086	3,187	1,593	-	31,866
Insurance	3,340	393	196	-	3,929
Legal and professional	15,604	1,836	918	-	18,358
Administration costs	37,267	4,384	2,192	-	43,843
Finance charges	232	27	14	-	274
Staff training and recruitment	8,458	995	498	-	9,950
Board expenses/meeting costs	-	-	-	1,672	1,672
Depreciation	3,908	460	230	-	4,598
Auditors fee	-	-	-	9,650	9,650
	182,900	22,858	11,429	22,714	239,901
Allocation of governance costs	19,307	2,271	1,136	(22,714)	-
	202,207	25,129	12,565	-	239,901

Analysis of Support Costs

	Research and consultancy £	Membership and subscriptions £	Events and publications £	Governance £	Total 2021 £
Salaries	68,183	9,340	4,670	11,208	93,401
Marketing costs	3,959	466	232	-	4,657
Establishment costs	23,797	2,800	1,399	-	27,996
Insurance	2,610	306	154	-	3,070
Legal and professional	4,952	583	291	3,000	8,826
Administration costs	29,307	3,448	1,724	-	34,479
Finance charges	53	6	3	-	62
Staff training and recruitment	21,041	2,476	1,238	-	24,755
Board expenses/meeting costs	-	-	-	1,850	1,850
Depreciation	3,358	395	198	-	3,951
	157,260	19,820	9,909	16,058	203,047
Allocation of governance costs	13,649	1,606	803	(16,058)	-
	170,909	21,426	10,712	-	203,047

Support costs are allocated on the following basis:

Area	Basis	Comment
Salaries	Estimate of time spent	
Marketing costs	Estimate of usage	Net of any direct attribution
Property costs	Estimate of usage	
All other costs	Estimate of usage	
Depreciation	Estimate of usage	

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

9. Auditors Remuneration

	Total 2022 £	Total 2021 £
Audit fee	8,500	-
Accountancy fees	1,750	1,250
Independent examination	-	1,750
	<u>10,250</u>	<u>3,000</u>

10. Staff Cost

Total staff costs were as follows

	2022 £	2021 £
Salaries and wages	731,645	614,791
Social security costs	81,039	65,377
Pension costs	251,281	59,211
	<u>1,063,965</u>	<u>739,379</u>

Number of employees

The average number of employees during the year, calculated on the basis of full-time equivalents (FTE) and average headcount (HC) was as follows:

	2022 HC No	2022 FTE No	2021 HC No	2021 FTE No
Employees	21	18	16	14
	<u>21</u>	<u>18</u>	<u>16</u>	<u>14</u>

Higher paid staff

The number of staff whose remuneration, as recharged to the Charity, exceeded £60,000 was:

	2022 No	2021 No
£90,000 - £100,000	1	1

Key management personnel

The key management personnel of the Charity comprise the Trustees and senior staff, as set out on page 1 and the key management personnel of the group are the same. The employee benefits of the key management personnel were £242,788 (2021: £282,748).

Trustee remuneration

No trustees, or any person connected with them, have received any remuneration from the charity during the year.

No expenses were paid to trustees during the year, (2021: £Nil).

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS,

FOR THE YEAR ENDED 30 JUNE 2022

11. Tangible Fixed Assets

Group and charity	Leasehold Improvements	Office Equipment	Computer equipment	Total
Cost or valuation	£	£	£	£
At 30 June 2021	2,655	3,735	28,678	35,068
Additions	-	-	1,334	1,334
At 30 June 2022	2,655	3,735	30,012	36,402
Depreciation				
At 30 June 2021	1,328	3,405	21,395	26,128
Charge for the year	664	100	3,834	4,598
At 30 June 2022	1,992	3,505	25,229	30,726
Net Book Value				
At 30 June 2022	663	230	4,783	5,676
At 30 June 2021	1,327	330	7,283	8,940

12. Fixed Asset Investments

The charity owns 100% of the issued share capital of the following company:

Name	Co. No.	Investment	Activity
		£	£
CLES European Research Network Limited	2467769	2	2
			Consultancy and research

As at 30 June 2022, the aggregate share capital and reserves of this company totalled £10,186 (2021: £10,186). The company was dormant in the current and the previous financial year.

13. Debtors

Group	2022	2021
	£	£
Trade debtors	115,756	164,305
Grants and income receivable	122,463	77,217
Prepayments and other debtors	13,207	18,523
	<u>251,426</u>	<u>260,045</u>
Charlty		
Trade debtors	115,756	164,305
Grants and income receivable	122,463	77,217
Prepayments and other debtors	13,207	18,523
	<u>251,426</u>	<u>260,045</u>

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

14. Creditors: amounts falling due within one year

Group	2022 £	2021 £
Trade creditors	13,823	41,817
Other taxes and social security	46,595	39,756
Accruals	20,776	17,409
Pension provision	200,000	-
Income in advance - membership	19,125	19,125
Income in advance - contracts	54,618	153,606
	<u>354,937</u>	<u>271,713</u>

Charity	2022 £	2021 £
Trade creditors	13,823	41,817
Other taxes and social security	46,465	39,626
Accruals	20,776	17,409
Pension provision	200,000	-
Income in advance - membership	19,125	19,125
Income in advance - contracts	54,618	153,606
	<u>354,807</u>	<u>271,583</u>

Movements in deferred income	2022 £	2021 £
Membership income b/fwd and released in the year	(19,125)	17,958
Membership income c/fwd	-	(19,125)
Net movement	<u>19,125</u>	<u>(1,167)</u>
Contract income b/fwd and released in the year	(153,606)	151,090
Contract income c/fwd	98,988	(153,606)
Net movement	<u>54,618</u>	<u>(2,516)</u>

15. Statement of Funds

Group	1 July 2021 £	Incoming resources £	Resources expended £	Transfers £	30 June 2022 £
Unrestricted funds:					
General funds	403,037	934,750	(1,187,977)	-	149,810
Designated funds	50,000	-	-	-	50,000
	<u>453,037</u>	<u>934,750</u>	<u>(1,187,977)</u>	<u>-</u>	<u>199,810</u>
Restricted funds	10,777	80,960	(91,737)	-	-
Total funds	<u>463,814</u>	<u>1,015,710</u>	<u>(1,279,714)</u>	<u>-</u>	<u>199,810</u>
	1 July 2020 £	Incoming resources £	Resources expended £	Transfers £	30 June 2021 £
Unrestricted funds:					
General funds	338,129	886,237	(821,329)	-	403,037
Designated funds	50,000	-	-	-	50,000
	<u>388,129</u>	<u>886,237</u>	<u>(821,329)</u>	<u>-</u>	<u>453,037</u>
Restricted funds	14,208	98,379	(101,810)	-	10,777
Total funds	<u>402,337</u>	<u>984,616</u>	<u>(923,139)</u>	<u>-</u>	<u>463,814</u>

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Statement of Funds

Charity	1 July 2021	Incoming resources	Resources expended	Transfers	30 June 2022
	£	£	£	£	£
Unrestricted funds:					
General funds	392,853	934,750	(1,187,977)	-	139,626
Designated funds	50,000	-	-	-	50,000
	442,853	934,750	(1,187,977)	-	189,626
Restricted funds	10,777	80,960	(91,737)	-	-
Total funds	453,630	1,015,710	(1,279,714)	-	189,626

	1 July 2020	Incoming resources	Resources expended	Transfers	30 June 2021
	£	£	£	£	£
Unrestricted funds:					
General funds	327,945	886,237	(821,329)	-	392,853
Designated funds	50,000	-	-	-	50,000
	377,945	886,237	(821,329)	-	442,853
Restricted funds	14,208	98,379	(101,810)	-	10,777
Total funds	392,153	984,616	(923,139)	-	453,630

16. Movements in Restricted Funds

Charity	1 July 2021	Incoming resources	Resources expended	30 June 2022
	£	£	£	£
Project funds:				
Neil Secondment SG	-	30,662	(30,662)	-
Barrow Cadbury Trust - Anchor Network	5,668	44,598	(50,266)	-
NIHR Public Health Research Programme	-	10,809	(10,809)	-
Open Society Foundation	5,109	(5,109)	-	-
	10,777	80,960	(91,737)	-

Charity	1 July 2020	Incoming resources	Resources expended	30 June 2021
	£	£	£	£
Project funds:				
Barrow Cadbury Trust - Anchor Network	3,500	500	(4,000)	-
Barrow Cadbury Trust - Advancing CWB	10,708	44,000	(54,708)	-
Barrow Cadbury Trust - Anchor Network	-	8,100	(8,100)	-
Barrow Cadbury Trust - Anchor Network	-	25,000	(19,332)	5,668
NIHR Public Health Research Programme	-	2,344	(2,344)	-
Open Society Foundation	-	18,435	(13,326)	5,109
	14,208	98,379	(101,810)	10,777

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Description of Restricted Funds

Project funds:	Purpose
Barrow Cadbury Trust - Anchor Network	Scoping an anchor institution network for Birmingham
Barrow Cadbury Trust - Advancing CWB	To develop new areas of work within a community wealth building
Barrow Cadbury Trust - Anchor Network	Scoping an anchor institution network for Sandwell
Barrow Cadbury Trust – Anchor Network	To further progress an anchor institution network for Sandwell/Black Country
NIHR Public Health Research Programme	Research programme
Open Society Foundation	Support work on community wealth building

17. Analysis of Net Assets between Funds

Charity

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Tangible fixed assets	5,676	-	5,676
Investments	2	-	2
Current assets	538,755	-	538,755
Current liabilities	(354,807)	-	(354,807)
	<u>189,626</u>	<u>-</u>	<u>189,626</u>

Charity

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Tangible fixed assets	8,940	-	8,940
Investments	2	-	2
Current assets	705,494	10,777	716,271
Current liabilities	(271,583)	-	(271,583)
	<u>442,853</u>	<u>10,777</u>	<u>453,630</u>

18. Taxation

The income and gains of the charity are exempt from taxation to the extent they are applied to its charitable objectives

19. Capital Commitments

The charity had no capital commitments at the year-end (2021: £Nil).

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

20. Operating Lease Commitments

The charity and group had the following future minimum commitments under non-cancellable operating leases:

	Group 2022	Charity 2022	Group 2021	Charity 2021
	£	£	£	£
Not later than one year	21,720	21,720	21,750	21,750
Later than one year and not later than five years	7,806	7,806	43,500	43,500
	<u>29,526</u>	<u>29,526</u>	<u>65,250</u>	<u>65,250</u>

21. Related Party Transactions

There are no related party transactions that require to be disclosed.

22. Greater Manchester Pension Fund

The charity had 1 member of staff who was a member of the Greater Manchester Pension Fund (GMPF), dating from the time when CLES was an admitted body. Employer contributions in the year were 24.7% of eligible salary. During the year the member of the scheme has left CLES.

The GMPF is valued every three years by a professionally qualified Independent actuary using the projected unit method, the rate of contributions being determined by the actuary. The latest actuarial valuation was 31 March 2019. The actuarial valuation showed the value of the scheme assets as being 89% of liabilities of the scheme.

The actuary reported that in his opinion "the resources of the scheme are likely in the normal course of events to meet the liabilities of the scheme, as by required by regulations."

The Charity is in the process of exiting from the Greater Manchester Pension Fund (GMPF) and is currently in negotiations to transfer the liability to their guarantor. At the time of writing the estimated cost of this liability is expected to be approximately £200,000 to be repaid over an agreed length of time to the guarantor. CLES Trustees continue to work with their guarantor to secure a valuation figure. This is expected to be made available in the early part of 2023.

23. Analysis of Changes in Net Debt

Group	1 July 2021	Cashflows	30 June 2022
	£	£	£
Cash at bank and in hand	466,542	(168,897)	297,645
	<u>466,542</u>	<u>(168,897)</u>	<u>297,645</u>

Charity	1 July 2021	Cashflows	30 June 2022
	£	£	£
Cash at bank and in hand	456,226	(168,897)	287,329
	<u>456,226</u>	<u>(168,897)</u>	<u>287,329</u>

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

24. Prior year Consolidated Statement of Financial Activities

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Incoming Resources				
Charitable activities	878,307	98,379	976,686	800,138
Other income	7,930	-	7,930	34,510
Total Incoming resources	886,237	98,379	984,616	834,648
Expenditure on:				
Charitable activities	821,329	101,810	923,139	787,670
Total Expenditure	821,329	101,810	923,139	787,670
Net Income / (expenditure) before transfers	64,908	(3,431)	61,477	46,978
Transfers	-	-	-	-
Net Income / (expenditure)	64,908	(3,431)	61,477	46,978
Reconciliation of funds:				
Total funds brought forward	388,129	14,208	402,337	355,359
Total funds carried forward	453,037	10,777	463,814	402,337

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

England & Wales - Charity number 1089503

Accounts

Charlty Number: 1089503

Company Number:4242937

CENTRE FOR LOCAL AND ECONOMIC STRATEGIES LIMITED
ANNUAL REPORT
AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

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CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

TRUSTEES' ANNUAL REPORT (INCORPORATING THE STRATEGIC AND DIRECTORS' REPORT) FOR THE YEAR ENDED 30 JUNE 2021

Legal, reference and administrative Information

Other name used:	CLES Limited
Registered Charity number:	1089503
Registered Company number:	4242937
Principal and Registered Office:	52 Oak Street, Swan Square, Manchester, M4 5JA
Trustees:	M Aldred – resigned 31 October 2020 N P Bolger Cllr B Craig – appointed 31 May 2021 P Dennett A Donald A C Evans D C Hyland Cllr D P Mellor – appointed 31 October 2020 S E Richards – appointed 31 October 2020, resigned 31 May 2021 G Rowe T Stannard – resigned 18 June 2021 G E Steward
Secretary:	N W McInroy – resigned 9 July 2021 S L Longlands – appointed 9 July 2021
Senior Management Team	
Chief Executive	N W McInroy
Other Members of the team	T L Goodwin F Jones S MacDonald
Independent Examiner:	Sue Hutchinson FCCA Beever and Struthers Chartered Accountants St George's House 215-219 Chester Road Manchester M15 4JE
Bankers:	Co-operative Bank PLC 1 Balloon Street Manchester M60 4EP
Solicitors:	Bates, Wells & Braithwaite 61 Charterhouse Street London EC1M 6HA

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

TRUSTEES' ANNUAL REPORT (INCORPORATING THE STRATEGIC AND DIRECTORS' REPORT) FOR THE YEAR ENDED 30 JUNE 2021

The Trustees present their annual trustees' report and financial statements for the Charity and its subsidiary for the year ended 30 June 2021 which are also prepared to meet the requirements for a strategic and directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Our objectives and activities

The objectives of the Charity are to:

- Educate the public by exclusively charitable means and in particular to promote, encourage and conduct research into subjects connected with the formulation, direction, organisation, administration and effects of economic, fiscal, regeneration and employment policies and initiatives in the United Kingdom whether on a local, regional or national level and all related subjects and disciplines including those of an international character and to publish the useful results of such research.
- Promote sustainable development for the public benefit, by promoting sustainable means of achieving local economic growth and regeneration.
- Promote the effectiveness and efficiency of the charitable and voluntary sector for the public benefit by providing advice, information, training and seminars on subjects related to the contribution made by the charitable and voluntary sector to the creation and development of local communities and places.

In shaping our objectives for the year and planning our activities, we have been informed by the charity commission guidance on public benefit and many of our publications and activity is free to view and download. In commissioned work and grant awards, the outputs are similarly available to the public, both through our own dissemination and/or through our partner dissemination processes.

Aims

Our specific charitable objectives have translated into a range of aims. These are:

- Act as a champion to places and communities experiencing social, economic, and environmental inequality and lack of opportunity.
- Work to improve the effectiveness of local groups, agencies, and government in addressing these problems by informing policy and developing practice.
- Develop highly motivated and well-trained public officials who should, as far as possible, reflect the diverse communities in which they serve.
- Inform and educate the public and stakeholders about the value and benefits to local economies of high-quality public services, this includes publishing and distribution of pamphlets, reports, leaflets, journals, films, tapes and instructional matter on any medium.
- Promote, encourage, carry out or commission research, surveys, studies or other work, making the useful results available.
- Organise and assist in the provision of conferences, courses of instruction, exhibitions, lectures, and other educational activities.

CLES owns 100% of the subsidiary company, CLES European Research Limited

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

TRUSTEES' ANNUAL REPORT (INCORPORATING THE STRATEGIC AND DIRECTORS' REPORT) FOR THE YEAR ENDED 30 JUNE 2021

Public Benefit

The Trustees have had regard to the guidance issued by the Charity Commission with regard to public benefit.

Although most of the charity's work is undertaken through paid assignments, in almost all cases clients are willing to allow the results of the work to be more widely disseminated so as to the benefit of the public. In focusing its efforts in particular work areas CLES takes account of the relative public benefit expected to flow from work, as well as considering the financial viability of the activities.

CLES has a wholly owned subsidiary, CLES European Research Network Limited (CERN), which was set up to carry out commercial consultancy work. The company is currently dormant.

Achievements and Performance

We continue to operate in a challenging operating environment: with the ongoing impact of the pandemic and Covid-19 lockdowns negatively impacting on the ability of our core client group to work with us. We have however had a productive year and have delivered a significant surplus. Of specific note is:

- 22 new projects secured
- Secured grant funding from the Barrow Cadbury Trust, Open Society Foundation and the National Institute of Health Research (NIHR)
- Secured new core funding from the Open Society Foundation;
- Supplied a seconded post to the Scottish Government to advance Community Wealth Building
- Delivered 8 paid training/events
- Published 14 specific reports, free to view on website and disseminated to members, network and the public;
- Published 36 blogs and articles on our website and social media channels;
- Over 100 lectures/presentations/workshops;
- Ongoing Chairing, Board and steering Group membership.

Positives from this year include:

- Developing our staff team, developing staffing roles and responsibilities;
- Continued core funding secured from the Friends Provident Foundation to advance the Community Wealth Building agenda;
- Significant grant funding from the Barrow Cadbury Trust secured to support our second 'Community Wealth Builder in Residence' in Sandwell;
- Developed funding relationship with the Open Society Foundation and developed a new funding relationship with the NIHR;
- Deepening relationships in places in England where we are working, with Community Wealth Building diagnostics leading to further work, deepening networks and experience of place, with a particular development of work in Wolverhampton & the Black Country, the Wirral & Gateshead;
- Significant further development of relationships with the Scottish, Welsh Governments and Northern Ireland Executive including a continuation of the secondment of our previous chief executive, Neil McInroy to the Scottish government for 2 days a week;
- Expanding the reach of CLES with dedicated work generated across the UK and beyond,
- Developed our profile nationally and internationally with highest ever recorded website statistics;
- Working with progressive organisations, funders and movements in working partnerships (e.g. NEF, the Democracy Collaborative, Power to Change, Urbed, Carbon Co-op);
- Becoming thought and practice leaders in specific fields. (e.g. community wealth building, deepening democracy, public service reform).

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

TRUSTEES' ANNUAL REPORT (INCORPORATING THE STRATEGIC AND DIRECTORS' REPORT) FOR THE YEAR ENDED 30 JUNE 2021

Future Plans

In July 2021 Sarah Longlands was appointed as the new Chief Executive Officer and began a review of our direction and a refresh of our Business Development & Operations Plan (CLES Futures), setting out our organisational response to a post Covid-19 economy. Our CLES Futures has involved us starting a process to review our organisational objectives, purpose and theory of change. We want to use this process to help refresh our organisational priorities so that we can respond effectively to current policy challenges including recovery from the Covid-19 Pandemic and the Environment crisis.

In addition, we want to use this period of transition help provide time for the team to develop their about the role that they can play in helping to develop CLES' work in the future. This is part of our wider strategy to strengthen CLES' proactive approach to funding as well as well as strengthening the confidence of the team to play a stronger role in fundraising longer term.

Financial Review

Overview

This year the group reported a surplus on unrestricted funds of £64,908 (2020: £33,770) and an overall surplus, including restricted funds of £61,477 (2020: £46,978).

The trustees are confident that the strategies currently in place will maintain and potentially increase the reserves held.

As agreed at the Board meeting in June, CLES have taken a decision to set a breakeven target budget to allow us to invest in our CLES Futures programme of work including

- CWB 2.0
 - Building collaboration
 - Building an evidence base
 - Private sector engagement
 - Developing the finance pillar
- Networks & Influencing
 - Developing strategic communications
 - Developing audience insights
 - Broadening comms activity
 - Developing press networks in UK regions
- Developing policy proposals
 - 4-day week
 - Just transition
 - Feminisation of politics
 - Local government finance
- Product development
 - School of CWB
 - Generative Economy Index
 - Carbon Supply Chain toolkit
- Targeted geographies
 - Scotland
 - Wales
 - Ireland/Northern Ireland
 - London/South East

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

TRUSTEES' ANNUAL REPORT (INCORPORATING THE STRATEGIC AND DIRECTORS' REPORT) FOR THE YEAR ENDED 30 JUNE 2021

Risk management

The trustees and executive team have a risk management strategy and approach which comprises:

- A review of principal risks and uncertainties that the charity and the subsidiary (CERN Ltd) face;
- A range of established and well-honed policies, systems and procedures to mitigate those risks identified.

Our exposure to changes in the marketplace and knock on effect on financial stability is the most significant financial risk. A key element of managing this risk, is a regular review of incoming resources, projected forward 12 months. This includes consideration of plurality of funding sources, mitigating against overdependence on a singular funder. In addition, there is a regular review of cashflow. We have an ongoing process of issuing sales invoices and proactive debt chasing. Trustees discuss the quarterly management accounts, and regular meetings and discussions take place separate to the formal board meetings.

Another area of potential risk identified, is around the retention of key staff. In this, CLES strives to offer competitive salaries, good terms and conditions, with opportunities for staff development. We aim to foster a staff culture which promotes dialogue and generally supports an enjoyable and fulfilling workplace.

Going Concern

The outlook for CLES is positive given our healthy financial position at the end of 2021 with more than £400k in the bank and in hand. Looking head into the next financial year 2021/22, the charity has a healthy order book and a proportion of core funding already allocated to our work. CLES work on community wealth building as a key theme of our work continues to go from strength to strength with regular requests for information and support from organisations across the UK and beyond. During 2021/22 the new Chief Executive will be working with the senior management team and the wider team to update our business plan including

- Consolidating the strengths of our current work activity, particularly in community wealth building. This will include deepening our expertise in key thematic areas including finance, ownership and land and property as well as working with the team to draw the learning and insights from our community wealth building diagnostics and analysis. This work will also include the development of a communications plan to help amplify the findings from our work across the UK and to think about how we reframe and refresh our community wealth building narrative.
- Widening our scope beyond community wealth building. Community wealth building continues to be an important theme for CLES' work and will continue to be so. However, as part of our wider business planning process, CLES will also look more broadly at how the current economic and political context is demanding more of both community wealth building and public policy. Examples of the work we will be exploring in this theme include
- local economic responses to environmental crisis (including retrofit) and the future of local economic development.
- Developing our geographical and thematic reach – building on our work to date in the devolved nations and regions, CLES will explore how to continue to expand and consolidate our work in specific targeted geographies including Wales, Scotland and Northern Ireland. We will also explore how work in Northern Ireland could provide us with access to the wider European market, particularly in the South of Ireland.

Our current healthy financial position provides us with the capacity to be able to take forward this business planning work and as an outcome to develop a series of new policy proposals for learning and action that deliver on CLES' charitable mission.

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

TRUSTEES' ANNUAL REPORT (INCORPORATING THE STRATEGIC AND DIRECTORS' REPORT) FOR THE YEAR ENDED 30 JUNE 2021

Principal funding sources

CLES has a plurality of funding sources, which creates resilience. This includes:

- grant awards from philanthropic funders, who share CLES's objectives, and allow the centre to develop a range of work pertaining towards employment, regeneration and social policy around the general themes of sustainable development.
- Commissioned activities from local government, which are concomitant to charitable aims and allow us to explore, develop and share practice amongst the wider community and public.

New relationships which cover different geographies and variants of the charities core charitable purposes are also actively pursued on an ongoing basis.

Reserves

The charity has a longstanding reserves policy, which targets the desirable level of free reserves at between 4-6 months' revenue which equates to £384,641.

At 30 June 2021 the Charity holds £463,814 (2020: £402,337) in reserves, of which £10,777 (2020: £14,208) are restricted. A further £8,940 (2020: £7,851) are represented by tangible fixed assets, leaving £444,097 (2020: £380,278) in free reserves.

STRUCTURE GOVERNANCE AND MANAGEMENT

Governing document

CLES is a company limited by guarantee governed by its memorandum and articles of association dated 28th June 2001, as amended by Special Resolution dated 16th December 2010 and 13 August 2012.

Governance

CLES has a well-established structure of governance, which has served the organisation admirably. In the last year and moving forward, there has/is to be a number of board recruitments, which has meant a full stepping down of trustees from the board with some new recruits. There has also been an identification of a need to freshen board diversity. This is being addressed and a process is in place. As part of this an ongoing process of board training as regards charity trustee responsibilities has also been agreed.

Appointment of trustees

Under the constitution of CLES, there are three groups of Board members:

- A *Automatic members*: Certain organisations have the right to nominate members of the Board
- B *Appointed members*: Members appointed by the Board
- C *Members elected by the membership*

Category A Board members serve until either the organisation is no longer a member, or the individual leaves the organisation, or the organisation decides to change its nominee. The nominating bodies are Manchester City Council, Salford City Council, Transport for Greater Manchester and Unison. Each of these bodies has the right to nominate one board member.

Members appointed to the Board under categories B and C are appointed for a three-year term; they may be appointed for a second three-year term but after that they must stand down.

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

TRUSTEES' ANNUAL REPORT (INCORPORATING THE STRATEGIC AND DIRECTORS' REPORT) FOR THE YEAR ENDED 30 JUNE 2021

Trustee Induction and training

We recruit trustees who have extensive experience of charities and boards.

Organisation

The full board meets four times a year. Meetings concur with end of quarter financial work and reporting and usually last up to 2 ½ hours. They usually take place in Manchester/London (occasionally elsewhere), taking into account the geographical spread of trustees.

The CEO meets with the Chair in regular 1 to 1's on at least a monthly basis. In these meetings ongoing operational considerations are discussed, as well as longer term goals in relation to organisational objectives and business plan. Agenda and content for any forthcoming Board meetings are also discussed.

On occasion sub-committees are formed. These look at issues raised which need a deeper consideration. In recent years this has related to board recruitment and equality and diversity.

There is a clear understanding of delegated and non-delegated authority to the CEO. Non delegated authority includes Governance policy, staff terms and conditions, annual budget, remuneration of the CEO. Delegated areas include all areas of day to day operations, recruitment, remuneration of staff (excluding the CEO).

Pay and remuneration for senior staff

The CEO's pay and remuneration is decided by the Board. This takes place via an appraisal process, conducted by the Board.

All other senior staff appraisals are conducted by the CEO and Operations manager, with recommendations going to the board for assessment in accordance with annual budget considerations.

Co-operation with other organisations

From time-to-time CLES interacts with many other organisations and charities but there are no existing Institutional co-operation agreements.

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

TRUSTEES' ANNUAL REPORT (INCORPORATING THE STRATEGIC AND DIRECTORS' REPORT) FOR THE YEAR ENDED 30 JUNE 2021

Trustees' responsibilities in relation to the financial statements

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

Company law requires the Charity Trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, 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 applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

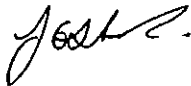
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Small Company Provisions and Approval

The report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

The Trustees' annual report, incorporating director's report were approved on 17.3.22 and signed on behalf of the board of Trustees, and signed on the board's behalf by:

G Steward
Trustee



CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF CENTRE FOR LOCAL AND ECONOMIC STRATEGIES LIMITED

YEAR ENDED 30 JUNE 2021

I report to the charity trustees on my examination of the consolidated accounts of the group comprising Centre for Local Economic Strategies Limited (the company/charity) and its subsidiary for the year ended 30 June 2021 which are set out on pages 12 to 25.

Responsibilities and basis of report

As the charity trustees of the company (and also its directors for the purposes of Company Law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act') and you have chosen to prepare consolidated accounts for the Group. You are satisfied that the accounts of both the Charity and the Group are not required by charity law to be audited and have chosen instead to have an Independent examination.

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

An Independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the accounts. The planning and conduct of an audit goes beyond the limited assurance that an Independent examination can provide. Consequently, I express no opinion as to whether the consolidated accounts present a 'true and fair' view and my report is limited to those specific matters set out in the Independent examiners statement.

Independent examiner's statement

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

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

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

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

Sue Hutchinson FCCA
Beever and Struthers
Chartered Accountants



St George's House 215-219 Chester Road Manchester M15 4JE

Date: 22/3/22

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 30 JUNE 2021

	Note	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Incoming Resources					
Charitable activities	5	878,307	98,379	976,686	800,138
Other Income	6	7,930	-	7,930	34,510
Total Incoming resources		886,237	98,379	984,616	834,648
Expenditure on:					
Charitable activities	7	821,329	101,810	923,139	787,670
Total Expenditure		821,329	101,810	923,139	787,670
Net Income / (expenditure) before transfers		64,908	(3,431)	61,477	46,978
Transfers					
Net Income / (expenditure)		64,908	(3,431)	61,477	46,978
Reconciliation of funds:	15				
Total funds brought forward		388,129	14,208	402,337	355,359
Total funds carried forward		453,037	10,777	463,814	402,337

The statement of financial activities includes all gains and losses in the year.
All incoming resources and resources expended derive from continuing activities.

The notes on pages 14 to 25 form part of these financial statements.

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

CHARITY STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 30 JUNE 2021

	Note	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Incoming Resources					
Charitable activities	5	878,307	98,379	976,686	800,138
Other Income	6	7,930	-	7,930	34,510
Total Incoming resources		886,237	98,379	984,616	834,648
Expenditure on:					
Charitable activities	7	821,329	101,810	923,139	787,670
Total Expenditure		821,329	101,810	923,139	787,670
Net Income / (expenditure) before transfers		64,908	(3,431)	61,477	46,978
Transfers		-	-	-	-
Net Income / (expenditure)		64,908	(3,431)	61,477	46,978
Reconciliation of funds:	15				
Total funds brought forward		377,945	14,208	392,153	345,175
Total funds carried forward		442,853	10,777	453,630	392,153

The statement of financial activities includes all gains and losses in the year.
All incoming resources and resources expended derive from continuing activities.

The notes on pages 14 to 25 form part of these financial statements.

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

CONSOLIDATED AND CHARITY STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

		Total Funds		Total Funds	
	Note	2021 Group £	2020 Group £	2021 Charity £	2020 Charity £
Fixed assets:					
Total fixed assets	11	8,940	7,851	8,940	7,851
Investment	12	-	-	2	2
		<u>8,940</u>	<u>7,851</u>	<u>8,942</u>	<u>7,853</u>
Current assets:					
Debtors	13	260,045	164,331	260,045	164,331
Cash at bank		466,542	524,106	456,226	513,790
		<u>726,587</u>	<u>688,437</u>	<u>716,271</u>	<u>678,121</u>
Liabilities:					
Creditors: amounts falling due within one year	14	(271,713)	(293,951)	(271,583)	(293,821)
Net current assets		<u>454,874</u>	<u>394,486</u>	<u>444,688</u>	<u>384,300</u>
Total net assets		<u>463,814</u>	<u>402,337</u>	<u>453,630</u>	<u>392,153</u>
Funds of the Charity:					
Restricted Income funds	16	10,777	14,208	10,777	14,208
Unrestricted funds	15	453,037	388,129	442,853	377,945
Total Charity funds		<u>463,814</u>	<u>402,337</u>	<u>453,630</u>	<u>392,153</u>

For the year ending 30 June 2021, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The Trustees have prepared group accounts in accordance with Section 398 of the Companies Act 2006 and Section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

Directors' responsibilities

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

These financial statements were approved by the board of trustees and authorised for issue on 17.3.22 and are signed on behalf of the board by:


G Steward
Trustee

Company Registration No: 4242937

The notes on pages 164 to 25 form part of these financial statements.

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 30 JUNE 2021

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Reconciliation of net income to net cash flow from operating activities:				
Net income	61,477	46,978	61,477	46,978
Adjustments for:				
Depreciation of tangible fixed assets	3,951	2,843	3,951	2,843
Decrease/(Increase) in debtors	(95,714)	58,129	(95,714)	58,096
Increase / (decrease) in creditors	(22,238)	110,074	(22,238)	110,073
Net cash inflow from operating activities	(52,524)	218,024	(52,524)	217,990
Cashflow statement				
Net cash (outflow) / inflow from operating activities	(52,524)	218,024	(52,524)	217,990
Investing activities				
Purchase of tangible fixed assets	(5,040)	(4,744)	(5,040)	(4,744)
Net cash outflow from investing activities	(5,040)	(4,744)	(5,040)	(4,744)
(Decrease) / Increase in cash	(57,564)	213,280	(57,564)	213,246
Cash and cash equivalents at 1 July 2020	524,106	310,826	513,790	300,544
Cash and cash equivalents at 30 June 2021	466,542	524,106	456,226	513,790

The notes on pages 14 to 25 form part of these financial statements.

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

1. General Information

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

2. Statement of Compliance

The financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', 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 (FRS 102) (Charities SORP (FRS 102)) and the Companies Act 2006.

CLES meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). The accounts are presented in sterling (£).

3. Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

b) Preparation of the accounts on a going concern basis

The trustees have reviewed the charities forecasts and projections and have considered the continuing impacts of the COVID-19 pandemic. Whilst the eventual financial impact on the charity and on the overall economy, remains uncertain the trustees are confident the charity will remain in existence for the foreseeable future.

There are no material uncertainties about the Charity's ability to continue, therefore, the accounts have been prepared on a going concern basis.

c) Income

All incoming resources are included in the Statement of Financial Activities when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. In the following circumstances, the income is deferred and included in other creditors:

- The income relates to a future accounting period
- A sales invoice has been raised ahead of the work being carried out and there is no contractual entitlement to the income until the work has been done
- Not all the terms and conditions of the grant have been met, including the incurring of expenditure and the grant conditions are such that unspent grant must be refunded.

Grant Income

Grants, whether of a capital or revenue nature, are recognised when the charity has entitlement to the funds, any performance conditions have been met and it is probable that the income will be received.

Donations

Donations from individuals and other bodies (not being of the nature of a grant) are recognised when receivable.

Earned Income

Earned income is measured at the fair value of the consideration received or receivable for services and goods supplied, net of discounts and VAT.

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

d) Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees to further any of the Charity's purposes. Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal and fall into one of two sub-classes: restricted income funds or endowment funds.

e) Judgements and estimates

The preparation of the financial statements requires management to make certain judgements, estimates and assumptions that affect the amounts reported for assets, liabilities, revenue, and expenditure. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The items in the financial statements where these judgments and estimates have been made include:

- Determining any necessary provision for bad or doubtful debts.
- Depreciation. Fixed assets are depreciated over an estimated useful economic life, considering residual values, where appropriate.

f) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure can be classified under the following activity headings:

- Costs of raising funds comprise of the costs associated with generating revenue and costs of managing investment portfolio.
- Expenditure on charitable activities includes expenditure related to the direct furtherance of the company's charitable objectives, grants payable and associated support costs.

The charity is registered for VAT and can recover of input tax charged. Costs are stated exclusive of VAT where charged.

g) Allocation of support costs

Support costs are those functions which assist the work of the charity either by supporting the delivery of charitable activities or by supporting the generation of funds. They include property costs, back office functions, staff costs and professional fees. The basis of allocation is set out in note 5.

h) Pension contributions

In respect of certain long-standing employees, the charity participates in the Greater Manchester Pension Fund (GMPF), an independently administered defined benefit scheme which is externally funded and contracted out by the State Earnings Related Pension Scheme. THE GMPF is a multi-employer scheme, and in accordance with the guidance issued by the Charity Commission the charity accounts for those contributions as if it were a defined contribution scheme. It has done so because it is unable to identify its share of the underlying assets and liabilities on a consistent and reasonable basis. Contributions are charged to the SOFA in the period in which they are payable.

Other employees are required to join a compulsory employer's contributory pension. The employer's contribution starts at the equivalent to 6% of their gross pay to the employees' stakeholder pension scheme, a money purchase scheme.

All pension contributions are charged to the SOFA in the year in which they are payable.

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

i) Tangible fixed assets and depreciation

Assets costing less than £500 are capitalised but written off to revenue in the year of acquisition. Depreciation is provided on the cost of tangible fixed assets in order to write off the cost after taking account of scrap values over the expected useful lives as follows:

Office equipment	- 20% straight line
Computer equipment	- over three years

j) Debtors

Trade and other debtors are recognised at the settlement amount due and prepayments are valued at the amount prepaid.

k) Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

l) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

m) Financial instruments

The charity only has basic financial instruments which are initially recorded at cost, and with the exception of investments (as set out above) subsequently measured at their settlement value.

n) Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiary, CLES European Research Network Limited, on a line by line basis.

4. Net incoming/outgoing resources

Net incoming resources for the year include:

	2021	2020
	£	£
Depreciation of fixed assets	3,951	2,843
Independent examiners' fees	1,750	1,750
Accountancy fees	1,250	1,250
Operating lease - Buildings	21,750	21,750

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

5. Income from Charitable Activities

Group and Charity	Unrestricted Funds £	Restricted Funds £	Total 2021 £
Research and consultancy			
Fees	657,547	-	657,547
Grants	155,378	98,379	253,757
	812,925	98,379	911,304
Membership subscriptions	33,366	-	33,366
Events and publications	32,016	-	32,016
	878,307	98,379	976,686

Group and Charity

	Unrestricted Funds £	Restricted Funds £	Total 2020 £
Research and consultancy			
Fees	542,069	-	542,069
Grants	156,688	41,000	197,688
	698,757	41,000	739,757
Membership subscriptions	34,533	-	34,533
Events and publications	25,848	-	25,848
	759,138	41,000	800,138

6. Other Income

Group and Charity	Unrestricted Funds £	Total 2021 £	Total 2020 £
Job Retention Scheme Income	7,930	7,930	34,510

7. Analysis of Expenditure on Charitable Activities

Group and charity	Direct costs £	Direct salaries £	Support costs £	Total 2021 £
Research and consultancy	66,841	611,128	170,908	848,877
Membership subscriptions	-	17,896	21,426	39,322
Events and publications	7,273	16,954	10,713	34,940
	74,114	645,978	203,047	923,139

Group and charity	Direct costs £	Direct salaries £	Support costs £	Total 2020 £
Research and consultancy	48,753	502,528	166,672	717,953
Membership subscriptions	1,729	16,038	20,861	38,628
Events and publications	6,395	14,263	10,431	31,089
	56,877	532,829	197,964	787,670

Expenditure on charitable activities was £923,139 (2020: £787,670) of which £821,329 (2020: £759,878) was unrestricted and £101,810 was restricted (2020: £27,792).

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

8. Analysis of Support Costs

	Research and consultancy	Membership and subscriptions	Events and publications £	Governance £	Total 2021 £
Salaries	68,183	9,340	4,670	11,208	93,401
Marketing costs	3,959	466	232	-	4,657
Establishment costs	23,797	2,800	1,399	-	27,996
Insurance	2,610	306	154	-	3,070
Legal and professional	4,952	583	291	3,000	8,826
Administration costs	29,307	3,448	1,724	-	34,479
Finance charges	53	6	3	-	62
Staff training and recruitment	21,041	2,476	1,238	-	24,755
Board expenses/meeting costs	-	-	-	1,850	1,850
Depreciation	3,358	395	198	-	3,951
	<u>157,260</u>	<u>19,820</u>	<u>9,909</u>	<u>16,058</u>	<u>203,047</u>
Allocation of governance costs	13,649	1,606	803	(16,058)	-
	<u>170,909</u>	<u>21,426</u>	<u>10,712</u>	<u>-</u>	<u>203,047</u>

Analysis of Support Costs

	Research and consultancy	Membership and subscriptions	Events and publications £	Governance £	Total 2020 £
Salaries	64,767	8,872	4,436	10,646	88,721
Marketing costs	23,856	2,807	1,403	-	28,066
Establishment costs	23,290	2,740	1,370	-	27,400
Insurance	2,985	351	176	-	3,512
Legal and professional	5,301	624	312	3,500	9,737
Administration costs	27,022	3,179	1,590	-	31,791
Finance charges	51	6	3	-	60
Staff training and recruitment	2,968	349	175	-	3,492
Board expenses/meeting costs	-	-	-	2,342	2,342
Depreciation	2,417	284	142	-	2,843
	<u>152,657</u>	<u>19,212</u>	<u>9,607</u>	<u>16,488</u>	<u>197,964</u>
Allocation of governance costs	14,015	1,649	824	(16,488)	-
	<u>166,672</u>	<u>20,861</u>	<u>10,431</u>	<u>-</u>	<u>197,964</u>

Support costs are allocated on the following basis:

Area	Basis	Comment
Salaries	Estimate of time spent	
Marketing costs	Estimate of usage	Net of any direct attribution
Property costs	Estimate of usage	
All other costs	Estimate of usage	
Depreciation	Estimate of usage	

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

9. Independent Examiners Fees

	Total 2021 £	Total 2020 £
Fee for independent examination	1,750	1,750
Accountancy fees	1,250	1,250
	<u>3,000</u>	<u>3,000</u>

10. Staff Costs

Total staff costs were as follows

	2021 £	2020 £
Salaries and wages	614,791	525,715
Social security costs	65,377	49,889
Pension costs – defined benefit	23,633	21,614
Pension costs – money purchase	35,578	24,332
	<u>739,379</u>	<u>621,550</u>

Staff costs for the Trading subsidiary included above

Number of employees

The average number of employees during the year, calculated on the basis of full-time equivalents (FTE) and average headcount (HC) was as follows:

	2021 HC	2021 FTE	2020 HC	2020 FTE
	No	No	No	No
Employees	16	14	15	14
	<u>16</u>	<u>14</u>	<u>15</u>	<u>14</u>

Higher paid staff

The number of staff whose remuneration, as recharged to the Charity, exceeded £60,000 was:

	2021 No	2020 No
£80,000 - £90,000	-	1
£90,000 - £100,000	1	-

Key management personnel

The key management personnel of the Charity comprise the Trustees and senior staff, as set out on page 1 and the key management personnel of the group are the same. The employee benefits of the key management personnel were £282,748 (2020: £268,135).

Trustee remuneration

No trustees, or any person connected with them, have received any remuneration from the charity during the year.

No expenses were paid to trustees during the year, (2020: £1,220 paid to two trustees).

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

11. Tangible Fixed Assets

Group and charity

	Leasehold improvements	Office Equipment	Computer equipment	Total
Cost or valuation	£	£	£	£
At 1 July 2020	2,655	3,735	23,638	30,028
Additions	-	-	5,040	5,040
Disposals	-	-	-	-
At 30 June 2021	2,655	3,735	28,678	35,068
Depreciation				
At 1 July 2020	664	3,305	18,208	22,177
Charge for the year	664	100	3,187	3,951
Released on disposals	-	-	-	-
At 30 June 2021	1,328	3,405	21,395	26,128
Net Book Value				
At 30 June 2021	1,327	330	7,283	8,940
At 30 June 2020	1,991	430	5,430	7,851

12. Fixed Asset Investments

The charity owns 100% of the issued share capital of the following company:

Name	Co. No.	Investment	Activity
		£	£
CLES European Research Network Limited	2467769	2	2
			Consultancy and research

As at 30 June 2021, the aggregate share capital and reserves of this company totalled £10,186 (2020: £10,186). The company was dormant in the current and the previous financial year.

13. Debtors

Group

	2021	2020
	£	£
Trade debtors	164,305	108,647
Grants and income receivable	77,217	35,186
Prepayments	18,523	20,498
	<u>260,045</u>	<u>164,331</u>

Charity

Trade debtors	164,305	108,647
Grants and income receivable	77,217	35,186
Prepayments	18,523	20,498
	<u>260,045</u>	<u>164,331</u>

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

14. Creditors: amounts falling due within one year

Group	2021 £	2020 £
Trade creditors	41,817	15,284
Other taxes and social security	39,756	83,455
Accruals	17,409	26,164
Income in advance - membership	19,125	17,958
Income in advance - contracts	153,606	151,090
	<u>271,713</u>	<u>293,951</u>

Charity

	2021 £	2020 £
Trade creditors	41,817	15,284
Other taxes and social security	39,626	83,325
Accruals	17,409	26,164
Income in advance - membership	19,125	17,958
Income in advance - contracts	153,606	151,090
	<u>271,583</u>	<u>293,821</u>

Movements in deferred income

	2021 £	2020 £
Membership income b/fwd and released in the year	17,958	17,958
Membership income c/fwd	(19,125)	(17,958)
Net movement	<u>(1,167)</u>	-
Contract income b/fwd and released in the year	151,090	57,590
Contract income c/fwd	(153,606)	(151,090)
Net movement	<u>(2,516)</u>	<u>(93,500)</u>

15. Statement of Funds

Group

	1 July 2020 £	Incoming resources £	Resources expended £	Transfers £	30 June 2021 £
Unrestricted funds:					
General funds	338,129	886,237	(821,329)	-	403,037
Designated funds	50,000	-	-	-	50,000
	<u>388,129</u>	<u>886,237</u>	<u>(821,329)</u>	-	<u>453,037</u>
Restricted funds	14,208	98,379	(101,810)	-	10,777
Total funds	<u>402,337</u>	<u>984,616</u>	<u>(923,139)</u>	-	<u>463,814</u>

	1 July 2019 £	Incoming resources £	Resources expended £	Transfers £	30 June 2020 £
Unrestricted funds:					
General funds	304,359	793,648	(759,878)	-	338,129
Designated funds	50,000	-	-	-	50,000
	<u>354,359</u>	<u>793,648</u>	<u>(759,878)</u>	-	<u>388,129</u>
Restricted funds	1,000	41,000	(27,792)	-	14,208
Total funds	<u>355,359</u>	<u>834,648</u>	<u>(787,670)</u>	-	<u>402,337</u>

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

Statement of Funds	1 July	Incoming	Resources		30 June
Charity	2020	resources	expended	Transfers	2021
	£	£	£	£	£
Unrestricted funds:					
General funds	327,945	886,237	(821,329)	50,000	442,853
Designated funds	50,000	-	-	(50,000)	-
	<u>377,945</u>	<u>886,237</u>	<u>(821,329)</u>	<u>-</u>	<u>442,853</u>
Restricted funds	14,208	98,379	(101,810)	-	10,777
Total funds	<u>392,153</u>	<u>984,616</u>	<u>(923,139)</u>	<u>-</u>	<u>453,630</u>

	1 July	Incoming	Resources		30 June 20
	2019	resources	expended	Transfers	
	£	£	£	£	£
Unrestricted funds:					
General funds	294,175	793,648	(759,878)	-	327,945
Designated funds	50,000	-	-	-	50,000
	<u>344,175</u>	<u>793,648</u>	<u>(759,878)</u>	<u>-</u>	<u>377,945</u>
Restricted funds	1,000	41,000	(27,792)	-	14,208
Total funds	<u>345,175</u>	<u>834,648</u>	<u>(787,670)</u>	<u>-</u>	<u>392,153</u>

16. Movements in Restricted Funds

Charity	1 July	Incoming	Resources	30 June
	2020	resources	expended	2021
	£	£	£	£
Project funds:				
Barrow Cadbury Trust - Anchor Network	3,500	500	(4,000)	-
Barrow Cadbury Trust - Advancing CWB	10,708	44,000	(54,708)	-
Barrow Cadbury Trust - Anchor Network	-	8,100	(8,100)	-
Barrow Cadbury Trust - Anchor Network	-	25,000	(19,332)	5,668
NIHR Public Health Research Programme	-	2,344	(2,344)	-
Open Society Foundation	-	18,435	(13,326)	5,109
	<u>14,208</u>	<u>98,379</u>	<u>(101,810)</u>	<u>10,777</u>

Charity	1 July	Incoming	Resources	30 June
	2019	resources	expended	2020
	£	£	£	£
Project funds:				
Barrow Cadbury Trust	1,000	-	(1,000)	-
Barrow Cadbury Trust Anchor Network	-	26,500	(23,000)	3,500
Barrow Cadbury Trust Advancing CWB	-	14,500	(3,792)	10,708
	<u>1,000</u>	<u>41,000</u>	<u>(27,792)</u>	<u>14,208</u>

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

Description of Restricted Funds

Project funds:	Purpose
Barrow Cadbury Trust - Anchor Network	Scoping an anchor institution network for Birmingham
Barrow Cadbury Trust - Advancing CWB	To develop new areas of work within a community wealth building
Barrow Cadbury Trust - Anchor Network	Scoping an anchor institution network for Sandwell
Barrow Cadbury Trust - Anchor Network	To further progress an anchor institution network for Sandwell/Black Country
NIHR Public Health Research Programme	Research programme
Open Society Foundation	Support work on community wealth building

17. Analysis of Net Assets between Funds

Charity	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Tangible fixed assets	8,940	-	8,940
Investments	2	-	2
Current assets	705,494	10,777	716,271
Current liabilities	(271,583)	-	(271,583)
	<u>442,853</u>	<u>10,777</u>	<u>453,630</u>

Charity	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Tangible fixed assets	7,851	-	7,851
Investments	2	-	2
Current assets	663,913	14,208	678,121
Current liabilities	(293,821)	-	(293,821)
	<u>377,945</u>	<u>14,208</u>	<u>392,153</u>

18. Taxation

The income and gains of the charity are exempt from taxation to the extent they are applied to its charitable objectives

19. Capital Commitments

The charity had no capital commitments at the year-end (2020: £Nil).

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

20. Operating Lease Commitments

The charity and group had the following future minimum commitments under non-cancellable operating leases:

	Group 2021	Charity 2021	Group 2020	Charity 2020
	£	£	£	£
Not later than one year	21,750	21,750	12,704	12,704
Later than one year and not later than five years	43,500	43,500	3,360	3,360
	<u>65,250</u>	<u>65,250</u>	<u>16,064</u>	<u>16,064</u>

21. Related Party Transactions

There are no related party transactions that require to be disclosed.

22. Greater Manchester Pension Fund

The charity has 1 member of staff who is a member of the Greater Manchester Pension Fund (GMPF), dating from the time when CLES was an admitted body. Employer contributions in the year were 24.7% of eligible salary.

The GMPF is valued every three years by a professionally qualified independent actuary using the projected unit method, the rate of contributions being determined by the actuary. The latest actuarial valuation was 31 March 2019. The actuarial valuation showed the value of the scheme assets as being 89% of liabilities of the scheme.

The actuary reported that in his opinion "the resources of the scheme are likely in the normal course of events to meet the liabilities of the scheme, as by required by regulations."

This is a multi-employer scheme, and it is not possible to separately identify the assets and liabilities of the scheme which would be attributable to the charity and it is therefore accounted for as a defined contribution scheme.

Since the year end the member of the scheme has left CLES. Once the member begins to draw the benefits from the scheme there may be additional liabilities. It is not possible to accurately verify this amount and therefore no liability has been recognised.

23. Analysis of Changes in Net Debt

Group

	1 July 2020	Cashflows	30 June 2021
	£	£	£
Cash at bank and in hand	524,106	(57,564)	466,542
	<u>524,106</u>	<u>(57,564)</u>	<u>466,542</u>

Charity

	1 July 2020	Cashflows	30 June 2021
	£	£	£
Cash at bank and in hand	513,790	(57,564)	456,226
	<u>513,790</u>	<u>(57,564)</u>	<u>456,226</u>

CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

24. Prior year Consolidated Statement of Financial Activities

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Total Funds 2019 £
Incoming Resources				
Charitable activities	759,138	41,000	800,138	742,798
Other Income	34,510	-	34,510	-
Total Incoming resources	793,648	41,000	834,648	742,798
Expenditure on:				
Charitable activities	759,878	27,792	787,670	663,979
Total Expenditure	759,878	27,792	787,670	663,979
Net Income / (expenditure) before transfers	33,770	13,208	46,978	78,819
Transfers	-	-	-	-
Net Income / (expenditure)	33,770	13,208	46,978	78,819
Reconciliation of funds:				
Total funds brought forward	354,359	1,000	355,359	276,540
Total funds carried forward	388,129	14,208	402,337	355,359