

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

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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.

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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.

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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.

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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.

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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.

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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.

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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

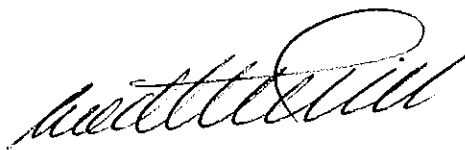
Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained 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	Net of any direct attribution
Marketing costs	Estimate of usage	
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