

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.

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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.

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.

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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.

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- **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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- **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.

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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.

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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.

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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.

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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:

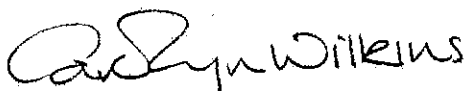
- so far as each trustee is aware, there is no relevant audit information of which the charity's auditor is unaware; and
- each trustee has taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor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

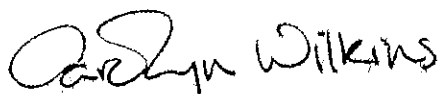
CENTRE FOR LOCAL ECONOMIC STRATEGIES LIMITED

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	18	17	21	18
	<u>18</u>	<u>17</u>	<u>21</u>	<u>18</u>

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)	-
	189,626	865,269	(736,618)	-	318,277
Restricted funds	-	376,704	(376,704)	-	-
Total funds	189,626	1,241,973	(1,113,322)	-	318,277

	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

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)	-
	-	376,704	(376,704)	-

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)	-	-
	10,777	80,960	(91,737)	-

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

