

# **EQUALITY AND EMPLOYMENT LAW CENTRE LTD.**

**ANNUAL REPORT &  
FINANCIAL STATEMENTS  
FOR THE PERIOD  
30<sup>TH</sup> MARCH 2021 TO  
31<sup>ST</sup> MARCH 2022**

**Company Number: 04946069**

**Charity Number: 1101876**

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## **EQUALITY AND EMPLOYMENT LAW CENTRE LTD.**

### **CHAIR REPORT**

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#### **Chair's Report**

2021 /2022 continued to be a year of volatility and uncertainty as we navigated our way out of the pandemic and through the economic downturn.

We are driven to make a difference to people's lives and create positive social change. Demand for our services has been constant and unrelenting as many of our clients are living with poverty and/or another disadvantage. Despite the significant and ongoing challenges, EAELC has had a hugely successful year securing over £1.2 million in damages for our clients. We have navigated our way out of the pandemic and economic downturn. It has not simply survived the pandemic, it has thrived and delivered outstanding results for our clients and beneficiaries showing immense resilience. Furthermore, we have continued to invest in developing social justice solicitors of the future with our trainee solicitor and solicitor apprenticeship programmes. We have continued to produce work of consistently high standards which is, as ever, is down to the focus, expertise and hard work put in by everyone at EAELC - our staff and Board of Trustees - and the support of our friends, partners, and funders.

Looking ahead, we see continued uncertainty significantly affecting the economic environment, our clients, our staff, and society. The pressure on living costs is increasing and being compounded by a combination of factors including the economic impact of the pandemic, rising inflation and energy prices. While this creates uncertainties as we look ahead, we remain focused on developing our team, and making necessary cost savings, growing our income and surplus which, we will reinvest in providing our free service.

Given the challenging macroeconomic and geopolitical backdrop, it is difficult to predict the shape of future with certainty, but our progress is encouraging, and I am confident that by continuing to invest in our strategy we will deliver for our clients, staff, suppliers, and communities. We have come through so much already and our solidarity will continue to carry us through.

**Joe Keegan (Chair of Trustees)**

## **EQUALITY AND EMPLOYMENT LAW CENTRE LTD.**

### **TRUSTEES' ANNUAL REPORT FOR THE PERIOD 30<sup>TH</sup> MARCH 2021 TO 31<sup>ST</sup> MARCH 2022**

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The Trustees are pleased to present their annual report for the period 30<sup>th</sup> March 2021 to 31<sup>st</sup> March 2022 along with the financial statements.

The financial statements have been prepared in accordance with the charity's trust deed, the Charities Act 2011 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 published (FRS 102) (effective 1<sup>st</sup> January 2019).

#### **Objectives**

Our purpose is to challenge the poverty and inequality supporting individuals to secure equal access to their legal rights. The principal objectives of the charity as laid out in our governing document as follows:

The promotion of any charitable purpose for the benefit of the community in Merseyside and to:

- Relieve poverty by the provision of advice and advocacy in employment and discrimination law to those persons otherwise unable to access such advice and advocacy.
- Promote the efficiency and effectiveness of charities by the provision of advice and training in employment and discrimination law
- Advance education by improving knowledge of employment and discrimination law and its operation of persons resident or employed in Merseyside
- The promotion of any charitable purpose for the benefit of the community

Our work enables individuals to exert their legal rights challenging discrimination and unfair treatment in the workplace and society. We are the only charitable organisation in Merseyside specialising solely in these critical areas of law.

#### **Public Benefit**

The Trustees confirm that they have referred to the Charity Commissioner's general guidance on public benefit when reviewing the Charity's Aims and Objectives.

All our charitable activities focus on the provision of legal advice and representation, helping people understand and exercise their legal rights, and are undertaken to further our charitable purposes for the public benefit. Our services are open to the public and free to our clients. We provide legal advice and representation across a wide range of legal areas that impact on people's everyday lives in significant ways. This work is not only of benefit to our individual clients but also to the wider community given the economic and social impact of our work. We also support charitable organisations that require employment or equality advice or training, helping to create fairer and more inclusive workplaces.

### **ACHIEVEMENTS, IMPACT AND PERFORMANCE**

#### **Our purpose and activities**

The Law Centre is a charity that provides free and affordable specialist legal advice and representation to individuals in the complex areas of equality and employment law, and cover cases such as:

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**TRUSTEES' ANNUAL REPORT FOR THE PERIOD 30<sup>TH</sup> MARCH 2021 TO 31<sup>ST</sup> MARCH 2022**

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- age
- disability
- gender reassignment
- marriage or civil partnership (in employment only)
- pregnancy and maternity
- race
- religion or belief
- sex
- sexual orientation
- Unfair dismissal
- Constructive Dismissal
- TUPE
- Whistleblowing
- Settlement grievance

The Law Centre's in house team of specialist solicitors deal with complex legal issues in both the Employment Tribunal and County Court that transform the lives of the people we work with, alleviating poverty and tackling discrimination in the workplace and wider society. We also provide advice to charity employers in the areas of employment and equality.

### **Vision**

Our vision is to be recognised as the preferred specialist provider of Employment Law and Discrimination advice, HR, and Training & Development to individuals, non-profit, CIC, social enterprises and charitable organisations across England and Wales promoting a fairer and more equal society. We believe that everybody should be treated equally and with dignity and respect both in the workplace and society at large.

### **Achievements and performance**

The centre has continued to go from strength to strength over the past 12 months demonstrating a commitment to providing high quality legal advice. Achieving many successful outcomes for clients ranging from financial settlements secured for clients in excess of £1.2 million, reasonable adjustments implemented by employers or service providers, clients having their rights vindicated, clients retaining their job's or to being better equipped to handle their workplace disputes. Furthermore, we also provide free legal advice and support to charity organisations to resolve employment related matters fairly and professionally preventing risks and creating fairer more inclusive workplaces.

Our solicitor-led team supervise and develop our team of legal advisors who range from Law graduates, trainee solicitors and solicitor apprentices. Expert legal training is also delivered by our specialist legal advisor Pam Kenworthy OBE. The following highlights from the past year help to summarise our work and achievements:

- 1118 new cases opened

## **EQUALITY AND EMPLOYMENT LAW CENTRE LTD.**

**TRUSTEES' ANNUAL REPORT FOR THE PERIOD 30<sup>TH</sup> MARCH 2021 TO 31<sup>ST</sup> MARCH 2022**

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- £1.2 million in damages secured for our clients
- 5708 telephone client enquiries processed
- 89% of cases closed resulted in a positive outcome
- 94% User satisfaction
- 5 cases were won at the Employment Tribunal
- 1 of our trainees qualified as a solicitor
- 3 solicitor apprentices employed and passed exams
- Specialist Quality Mark achieved
- Created two new apprenticeships: Customer Service and Fundraising
- 1 of 3 specialist advisors for Legal Aid remote telephone discrimination contract
- For every £1 spent on running the organisation we have generated £2.40 in damages for clients
- Collaborated with Local Universities to offer volunteering opportunities for Law students
- Developed a robust fundraising strategy and plan

Recruited 3 new solicitors one specialising in housing law

### **FINANCIAL REVIEW**

The centre has undergone a remarkable turnaround and is in a much more financially durable position than previous years. However, cash flow continues to be a significant challenge. In line with our plans, we have:

- Increased income in 2021-22 by 25 % on previous year achieving a significant increase in surplus which is reinvested in providing our services
- Work in progress has increased by 92% on previous year due to a combination of factors: state of the art case management system and highly experienced discrimination and employment legal team
- We have achieved the financial targets set for the year

However there remains a considerable time lag in receiving payment for work carried out under our Legal Aid contracts, with claims on Legal help cases only able to be made once the case has been finally closed, often influenced by Legal deadlines set by the courts and out of our control (Work in progress £110,862). As we work our way out of the pandemic managing our cash flow continues to be a top priority for our service. We continue to ensure that our billing procedures are submitted as quickly and efficiently as possible.

Income and expenditure are carefully managed and monitored daily. In 2020/2021 we received £80,000 in much needed financial support from the Community Justice Foundation however we were not as fortunate in 2021/2022 as our bid to them was unsuccessful.

In September 2021 we recruited a fundraising apprentice to enable us to apply for funding from trusts and foundations and the National Lottery. These grants are to support our running costs, fund essential equipment and enhance our cashflow. We successfully secured from grants and trusts from a number of funders in this financial year.

In addition, we have received one-off donations from individual supporters. Looking ahead, we want to enhance our fundraising activities whilst at the same time, as a social trading organisation increase our income from private clients and services to charity organisations.

## **EQUALITY AND EMPLOYMENT LAW CENTRE LTD.**

### **TRUSTEES' ANNUAL REPORT FOR THE PERIOD 30<sup>TH</sup> MARCH 2021 TO 31<sup>ST</sup> MARCH 2022**

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This includes providing specialist information, advice and training to other organisations and service providers.

Overall total income in the year was £644,547 (2021: £366,816) of which £28,679 (2021: £123,922), related to funding for projects upon which restrictions are placed. The overall income includes the movement of the work in progress £110,862 (2021: £121,273) for chargeable hours undertaken on cases which have not reached a conclusion at the year end.

Total expenditure in the year was £433,552 (2021: £357,305) leaving a surplus for the year of £210,995 (2021: surplus £9,511)

At 31<sup>st</sup> March 2022 the charitable company's reserves stood at a surplus balance of £187,850 (2021: deficit £23,145) of which £18,679 (2021: £nil) represented restricted funds.

#### **Risk Management**

The Board of Trustees conducts regular reviews of risks to which the charity is exposed. There is a risk register that is updated and reviewed by the Board regularly. Systems and procedures which are in the Office Manual sets out all our policies and procedures in relation to risk management. Significant external risks have led to the development of a fundraising strategy and plans to diversity income generation activities.

There are policies in place to ensure legal compliance, health and safety compliance, cyber security. We successfully maintained our 3-year Specialist Quality mark in 2021.

The risk management strategy includes:

- A risk registers
- An annual review of risks
- Ongoing monitoring of risks
- Office Manual with policies and procedures
- A business continuity plan

#### **Reserves Policy**

It is the policy of the charitable company to maintain unrestricted funds, which are free reserves at a level to cover redundancy provision and allows the charity to continue to run its activities for three months should no further funding be received.

As at the end of the financial year the unrestricted funds totalled £169,171. The charitable company requires £9,933 for redundancy provision, and £105,888 for three months running costs, (total £115,821).

#### **PLANS FOR THE FUTURE**

The Centre will continue to specialise in providing legal advice and representation in the areas of employment and equality law. Our plans for the future include:

##### **Income generation**

We will continue to focus on earned income generation to support our running costs and we will continue to provide free employment and discrimination advise. We do this through increasing our private work and chargeable work to third sector employers and training services to other organisations.

## **EQUALITY AND EMPLOYMENT LAW CENTRE LTD.**

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### **Legal Aid contracts**

We hold two Legal Aid contracts which have been extended and which we intend to bid for when they expire in 2024. We will continue to build good relationships with the Legal Aid Agency and grow our income through these contracts. Additionally, we will continue to pursue the Legal Aid reforms required to improve these bureaucratic low paid but much needed contracts for our vulnerable clients.

### **Partnership working**

Growing partnerships within the Legal sector to develop collaboration which will enhance our work and improve our profile.

### **Fundraising**

We will continue to apply to grants and trusts developing an attractive proposition for funders.

Grow donations from individual giving, events, and other funding activities.

### **Research**

We will continue to work with universities on relevant research projects related to employment or discrimination working collaboratively on topical issues.

### **Growing our in-house talent and career development**

We will continue to support the career development of our team through ongoing master classes, apprenticeships, and training contracts.

### **Workplace development**

Our people are of vital importance and as such we will continue to run our employee engagement programme, coaching, supervision, career development and well-being programmes along with reviewing our systems processes and procedures to ensure that we have supportive working climate and organisational culture.

We will also continue to grow our volunteer programme collaborating with universities and our local community.

### **Develop the Law Centre as a national specialist hub for employment and discrimination**

Due to the increasing demand for specialist employment and discrimination advice combined with the advice deserts across the country we want to explore how we can better provide access across England and Wales as other law centre struggle to provide employment or discrimination advice. Furthermore, it is increasingly difficult for organisations to recruit experienced discrimination solicitors and Legal Aid supervisors.

### **Digital marketing, agile working, and website development**

We want to continue benefit from the opportunities Covid 19 presented to work in a more agile way. Our website needs updating, and we need to actively market our services and raise our profile through channels and continued networking



## **EQUALITY AND EMPLOYMENT LAW CENTRE LTD.**

**TRUSTEES' ANNUAL REPORT FOR THE PERIOD 30<sup>TH</sup> MARCH 2021 TO 31<sup>ST</sup> MARCH 2022**

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### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The organisation is a charitable company limited by guarantee, incorporated on 23<sup>rd</sup> October 2003 (company number 04946069) and registered as a charity (charity number 1101876) on 3<sup>rd</sup> February 2004.

The Governing Instruments under which the charitable company operates comprise the Memorandum and Articles of Association dated 15<sup>th</sup> October 2003.

The Board of Trustees meets quarterly to monitor the charity's activities and performance, to determine strategy and attend to all other matters of governance.

### **Recruitment and appointment of trustees**

Currently there are 5 Board members and there are plans to recruit 3 new Board members. Board members have a range of skills with expertise including

- Legal
- Marketing
- Charity Management and governance
- Business
- Customer Service

Trustee vacancies are advertised, and new Trustees are appointed by existing Trustees. All vacancies, including those for new Trustees are advertised on our website. Members may be elected to the Board at the Annual General Meeting by the Trustees

The CEO has delegated authority to manage our overall organisation, including management and staffing, our procedures in financial and other matters, including conduct and discipline, learning and development, marketing, fundraising, and implementing strategy proposals and plans. Reporting to the Board the results of these at the quarterly meetings.

## **EQUALITY AND EMPLOYMENT LAW CENTRE LTD.**

**TRUSTEES' ANNUAL REPORT FOR THE PERIOD 30<sup>TH</sup> MARCH 2021 TO 31<sup>ST</sup> MARCH 2022**

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### **REFERENCE AND ADMINISTRATIVE DETAILS**

**NAME:** Equality and Employment Law Centre Ltd.

**COMPANY NUMBER** 04946069

**CHARITY NUMBER** 1101876

**REGISTERED OFFICE** 151 Dale Street,  
Liverpool,  
England,  
L2 2AH


**TRUSTEES:** J Finnegan  
J Keegan  
J Mannouch  
L Thomas  
S Ali

**CHIEF EXECUTIVE OFFICER** J Ehlen

**INDEPENDENT EXAMINER** Paula Sanchez ACCA  
LCVS,  
151 Dale Street,  
Liverpool,  
L2 2AH

**BANKERS:** Co-Operative Bank PLC  
P O Box 250  
Skelmersdale  
WN8 6WT

### **ON BEHALF OF THE BOARD:**



.....  
**J Keegan - Trustee**

Date : .....29/11/22.....

## **MERSEYSIDE EMPLOYMENT LAW LIMITED**

### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

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Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principle in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue as a going concern;
- state whether applicable accounting standards have been followed, subject to any material departure disclosed and explained in the financial statements.

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The financial statements have been prepared in accordance with the charity's trust deed, the Charities Act 2011 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 published (FRS 102) (effective 1<sup>st</sup> January 2019).

#### **ON BEHALF OF THE BOARD:**



.....  
**J Keegan - Trustee**

151 Dale Street,  
Liverpool,  
England,  
L2 2AH

Date : 29/11/22

## INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF EQUALITY AND EMPLOYMENT LAW CENTRE LTD.

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### Respective responsibilities of trustees and examiner

I report on the accounts of the charitable company for the period 30<sup>th</sup> March 2021 to 31<sup>st</sup> March 2022, which are set out on pages 12 to 24.

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the 2011 Act, and
- to state whether particular matters have come to my attention.

### Basis of independent examiner's statement

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

### Independent examiner's statement

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in, any material respect, the requirements:

- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting Charities

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Name: **Mrs Paula Sanchez**

Relevant professional qualification or body: **ACCA**

Address: **c/o LCVS, 151 Dale Street, Liverpool, L2 2AH**

Dated: **30<sup>th</sup> Nov. 2022**

**EQUALITY AND EMPLOYMENT LAW CENTRE LTD.****STATEMENT OF FINANCIAL ACTIVITIES (Including Income & Expenditure) FOR THE PERIOD 30<sup>TH</sup> MARCH 2021 TO 31<sup>ST</sup> MARCH 2022**

	Notes	Unrestricted Funds 30/03/2021 to 31/03/2022	Restricted Funds 30/03/2021 to 31/03/2022	Total 30/03/2021 to 31/03/2022	Total 29/03/2021
<b>Income and endowments from:</b>		£	£	£	£
Donations and legacies	3a	7,508	-	7,508	-
Charitable activities	3b	608,360	28,679	637,039	366,816
<b>Total income</b>		<b>615,868</b>	<b>28,679</b>	<b>644,547</b>	<b>366,816</b>
<b>Expenditure on:</b>					
Charitable activities	4	423,552	10,000	433,552	357,305
<b>Total expenditure</b>		<b>423,552</b>	<b>10,000</b>	<b>433,552</b>	<b>357,305</b>
<b>Net income, net movement in funds</b>		<b>192,316</b>	<b>18,679</b>	<b>210,995</b>	<b>9,511</b>
Total funds brought forward	12,13	(23,145)	-	(23,145)	(32,656)
<b>Total funds carried forward</b>	<b>11-13</b>	<b>169,171</b>	<b>18,679</b>	<b>187,850</b>	<b>(23,145)</b>

The notes on pages 15 to 24 form part of these accounts.

All the above amounts relate to continuing activities of the charitable company.

**EQUALITY AND EMPLOYMENT LAW CENTRE LTD. Company No 04946069**  
**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2022**

	Notes	31 <sup>st</sup> March 2022		29 <sup>th</sup> March 2021	
		£	£	£	£
<b>Fixed assets</b>					
Tangible fixed assets	5		-		57
<b>Current assets</b>					
Work in progress	6	232,106		121,273	
Debtors	7	69,336		660	
Cash at bank and in hand		62,436		30,782	
		-----		-----	
		363,878		152,715	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	8	(143,490)		(121,405)	
		-----		-----	
<b>Net current assets</b>			220,388		31,310
			-----		-----
<b>Total assets less current liabilities</b>			<b>220,388</b>		<b>31,367</b>
			-----		-----
Creditors: amounts falling due after more than one year	9		(32,538)		(54,512)
			-----		-----
<b>Net (liabilities)/assets</b>			<b>187,850</b>		<b>(23,145)</b>
			=====		=====
<b>Funds:</b>					
Unrestricted Funds	11, 12		169,171		(23,145)
Restricted funds	11, 13		18,679		-
			-----		-----
			<b>187,850</b>		<b>(23,145)</b>
			=====		=====

These financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

These accounts have been prepared in accordance with the provisions applicable to small companies subject to the small companies' regime and in accordance with FRS102 SORP.

For the period covered by these accounts the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The trustees, who are the directors of the company, acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

Approved by the Board on



J Keegan – Trustee (Chair)

**EQUALITY AND EMPLOYMENT LAW CENTRE LTD.**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

	Notes	31 <sup>st</sup> March 2022		29 <sup>th</sup> March 2021	
		£	£	£	£
<b>Cash flows from operating activities</b>					
Cash (used)/generated from operations	15		31,654		7,143
<b>Net cash (used in) investing activities</b>			(-)		(-)
<b>Net cash generated from financing activities</b>			-		-
			-----		-----
<b>Net Increase in cash and cash equivalents</b>			<b>31,654</b>		<b>7,143</b>
Cash and cash equivalents at beginning of year			30,782		23,639
			-----		-----
<b>Cash and cash equivalents at end of year</b>			<b>62,436</b>		<b>30,782</b>
			=====		=====
<b>Represented by:</b>					
		31 <sup>st</sup> March 2022		29 <sup>th</sup> March 2021	
		£	£	£	£
Cash at bank and in hand			<b>62,436</b>		<b>30,782</b>
			=====		=====

**EQUALITY AND EMPLOYMENT LAW CENTRE LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD 30<sup>TH</sup> MARCH 2021 TO 31<sup>ST</sup> MARCH 2022**

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**1. Limited Liability**

The organisation is a private company limited by guarantee without share capital. Each member's liability is limited to £5.

**2. Accounting Policies**

**Basis of accounting**

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The financial statements have been prepared in accordance with the charity's trust deed, the Charities Act 2011 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 published (FRS 102) effective 1<sup>st</sup> January 2019.

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

**Going concern**

At the time of approving the accounts the Trustees have a reasonable expectation, for the reasons outlined in the Annual Report, that the charitable company will be able to access adequate resources to continue in operational existence for the foreseeable future. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the accounts.

**Fund accounting**

Unrestricted funds are the charitable company's free reserves available for the Trustees to apply in accordance with the charitable company's charitable objectives.

Restricted funds are subject to specific restrictive conditions imposed by the donor. All restricted funds are accounted for as restricted income and expenditure for the purposes is charged to the fund.

**Income recognition**

All income is recognised once the charitable company has entitlement to the income, there is sufficient certainty of receipt and so it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Donations and legacies comprise of donations and general grants which are recognised in the accounts when received, with the exception of known legacies which are accounted for when their receipt is certain.

Income from charitable activities is recognised on an accrual's basis except for grants receivable, which are recognised on the date on which their unconditional payment is confirmed by the donor.

**Expenditure recognition**

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charitable company to that expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.



**EQUALITY AND EMPLOYMENT LAW CENTRE LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD 30<sup>TH</sup> MARCH 2021 TO 31<sup>ST</sup> MARCH 2022**

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All expenditure is accounted for on an accrual basis. All expenses, including support costs and governance costs, are allocated or apportioned to the applicable expenditure headings in the Statement of Financial Activities. Support and governance costs are applied to unrestricted funds unless specifically included in the restrictions, as specified by the donor.

Expenditure on charitable activities relates to the operation of the charitable company comprising of direct charitable expenditure to meet the objectives of the charitable company. Support and governance costs relate to the management and operation of the organisation and also compliance with constitutional and statutory requirements in producing the annual report. These are dealt with in the Statement of Financial Activities when payment has been approved by the charitable company.

**Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

**Fixed Assets**

Capital expenditure is stated in the balance sheet at cost less accumulated depreciation. Depreciation is provided to write off the cost of each asset over its expected useful life as below:

Office Equipment	33% per annum straight line basis
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**Work in progress**

Work in progress is included in these accounts to reflect income for chargeable hours undertaken on cases which have not reached a conclusion at the year end.

These hours are only included to the extent that they are fully recoverable.

**Financial instruments**

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

**EQUALITY AND EMPLOYMENT LAW CENTRE LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD 30<sup>TH</sup> MARCH 2021 TO 31<sup>ST</sup> MARCH 2022**

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**Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

**Derecognition of financial liabilities**

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

**Taxation**

Income and gains are exempt from taxation as they are received and applied for charitable purposes only. The charitable company benefits from various exemptions from taxation afforded by tax legislation and is not liable to corporation tax on income or gains falling within those exemptions.

**Critical accounting estimates and judgements**

In the application of the charitable company's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**3. Income and endowments from:**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total Funds</b>	<b>Total Funds</b>
	<b>30/03/2021 to 31/03/2022</b>	<b>30/03/2021 to 31/03/2022</b>	<b>30/03/2021 to 31/03/2022</b>	<b>29/03/2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>a Donations and legacies</b>				
Donations	<b>7,508</b>	<b>-</b>	<b>7,508</b>	<b>-</b>
	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>

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<b>b. Charitable activities</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Access to Justice Foundation	-			4,200
Contract income	470,439	-	470,439	98,939
Contract income (WIP)	110,862		110,862	121,273
Covid-19 business grant	-	-	-	10,000
First Ark Social Investment	-	7,500	7,500	10,000
HMRC Job Retention Scheme	-	-	-	10,286
Law Centre Federation	-	-	-	80,000
LCVS Community Impact Fund	-	-	-	2,000
Liverpool City Council - Community Resource Grant	-	11,179	11,179	10,147
Liverpool City Council – Ways to Work ILM Scheme	-	-	-	7,289
Private sales income	27,059	-	27,059	12,682
Social Investment Business Growth Fund	-	10,000	10,000	-
	<u>608,360</u>	<u>28,679</u>	<u>637,039</u>	<u>366,816</u>

Income from charitable activities in 2021 comprised £242,894 unrestricted funds and £123,922 restricted funds

**4. Expenditure on charitable activities:**

	<b>Direct Charitable Expenditure £</b>	<b>Support &amp; Governance Costs £</b>	<b>Total 30/03/2021 to 31/03/2022 £</b>	<b>Total 29/03/2021 £</b>
Provision of advice and advocacy in the area of employment law for the Merseyside Community	332,133	101,419	433,552	357,305
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

**a. Analysed as follows:**

	<b>30/03/2021 to 31/03/2022 £</b>	<b>29/03/2021 £</b>
<i>Direct charitable expenditure:</i>		
Staff salary costs	274,367	197,203
Pension	4,768	2,670
Volunteer expenses	-	30
Legal and consultancy fees	49,009	19,360
Discounts	1,078	-
Clients' compensation	2,911	11,300
	<u>332,133</u>	<u>230,563</u>

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<i>Support &amp; Governance costs:</i>	<b>£</b>	<b>£</b>
Staff salary costs	18,600	36,500
Pension	504	744
Running costs	28,075	26,340
Office costs	9,962	8,341
Travel expenses	69	10
Insurance	4,685	8,123
Training	6,106	16,381
Recruitment	3,000	1,481
Computer costs	19,052	19,094
Subscriptions	80	-
Staff welfare	2,867	872
Marketing	447	440
Bank charges	37	17
Loan interest	5,902	4,861
Payroll Fees	706	638
Accountancy	1,270	1,000
Depreciation	57	1,900
	-----	-----
	<b>101,419</b>	<b>126,742</b>
	-----	-----
<b>Total expenditure on charitable activities</b>	<b>433,552</b>	<b>357,305</b>
	=====	=====

£10,000 (2021: £123,922) of the above expenditure relates to restricted funding.

**b. Staff Costs**

	<b>30/03/2021 to 31/03/2022</b>	<b>29/03/2021</b>
	<b>£</b>	<b>£</b>
Gross wages and salaries	276,334	221,407
Social security costs	16,633	12,296
Pension	5,272	3,414
	-----	-----
	<b>298,239</b>	<b>237,117</b>
	=====	=====

**c. Particulars of employees:**

The average number of full-time equivalent employees during the period was as follows:

	<b>30/03/2021 to 31/03/2022</b>	<b>29/03/2021</b>
Charitable Activities	<b>12.5</b>	<b>10.0</b>
	=====	=====

No employee received emoluments of more than £60,000 during the year. (2021: none)

The Trustees are not remunerated for their services and are not included in the above number of employees.

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**5. Tangible fixed assets**

	Office Equipment	Total
Cost	£	£
Balance as at 30 <sup>th</sup> March 2021	6,282	6,282
Additions during the period	-	-
Disposals during the period	(-)	(-)
	-----	-----
Balance at 31 <sup>st</sup> March 2022	<b>6,282</b>	<b>6,282</b>
	-----	-----
Accumulated Depreciation		
Balance as at 30 <sup>th</sup> March 2021	6,225	6,225
Charge for the period	57	57
Disposals during the period	(-)	(-)
	-----	-----
Balance at 31 <sup>st</sup> March 2022	<b>6,282</b>	<b>6,282</b>
	-----	-----
<b>Net Book Value at 31<sup>st</sup> March 2022</b>	-	-
	=====	=====
Net Book Value at 29 <sup>th</sup> March 2021	57	57
	=====	=====

**6. Work in progress**

	31 <sup>st</sup> Mar 22	29 <sup>th</sup> Mar 21
	£	£
Work in Progress	232,106	121,273
	=====	=====

**7. Debtors:**

	31 <sup>st</sup> Mar 22	29 <sup>th</sup> Mar 21
	£	£
Debtors	31,798	660
Other Debtors	37,538	-
	-----	-----
	<b>69,336</b>	<b>660</b>
	=====	=====

**8. Creditors: amounts falling due within one year**

	31 <sup>st</sup> Mar 22	29 <sup>th</sup> Mar 21
	£	£
Accruals	60,689	34,445
Tax and Social security	28,101	22,308
Other creditors	32,726	44,563
Loan (see Note 10)	21,974	20,089
	-----	-----
	<b>143,490</b>	<b>121,405</b>
	=====	=====

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**9. Creditors: amounts falling due after more than one year**

	31 <sup>st</sup> Mar 22	29 <sup>th</sup> Mar 21
	£	£
Loan (see Note 10)	32,538	54,512
	=====	=====

**10. Loans**

The following capital repayments are included within creditors:

	31 <sup>st</sup> Mar 22	29 <sup>th</sup> Mar 21
	£	£
Due within one year	21,974	20,089
Due between one to two years	22,107	21,974
Due between two to five years	10,431	32,538
	-----	-----
	54,512	74,601
	=====	=====

The sum of £84,000 was advanced by First Ark Social Investment on an unsecured basis, repayable over five years with interest being charged at the rate of 9% per annum. An eighteen-months capital holiday period was granted, commencing April 2018.

This was extended in August 2019 for capital repayments to commence in October 2020. At 31<sup>st</sup> March 2022 the remaining balance of £54,512 is outstanding.

**11. Analysis of Net Assets between Funds**

Period 30 <sup>th</sup> Mar 21 to 31 <sup>st</sup> Mar 2022	Tangible fixed assets	Net current assets	Creditors: amounts falling due after more than one year	Total
	£	£	£	£
<b>Unrestricted Funds</b>				
General Fund	-	201,709	(32,538)	169,171
<b>Restricted Funds:</b>				
First Ark Social Investment	-	7,500	-	7,500
Liverpool City Council Community Resource Grant	-	11,179	-	11,179
	-----	-----	-----	-----
	-	18,679	(32,538)	18,679
	-----	-----	-----	-----
		220,388	(32,538)	187,850
	=====	=====	=====	=====

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	<b>Tangible fixed assets</b>	<b>Net current assets</b>	<b>Creditors: amounts falling due after more than one year</b>	<b>Total</b>
<b>Year end 29<sup>th</sup> Mar 2021</b>				
<b>Unrestricted Funds</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
General Fund	57	31,310	(54,512)	(23,145)
<b>Restricted Funds:</b>	-	-	-	-
	-----	-----	-----	-----
	57	31,310	(54,512)	(23,145)
	=====	=====	=====	=====

**12. Unrestricted Funds**

		<b><u>Movement In the Period</u></b>		
<b>Period 30<sup>th</sup> Mar 21 to 31<sup>st</sup> Mar 2022</b>	<b>Funds at beginning of period</b>	<b>Income</b>	<b>Expenditure</b>	<b>Funds at end of period</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
General Fund	(23,145)	615,868	(423,552)	169,171
	=====	=====	=====	=====
		<b><u>Movement in the Year</u></b>		
<b>Year end 29<sup>th</sup> Mar 2021</b>	<b>Funds at beginning of year</b>	<b>Income</b>	<b>Expenditure</b>	<b>Funds at end of year</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
General Fund	(32,656)	242,894	(233,383)	(23,145)
	=====	=====	=====	=====

**General Fund** is used to finance the charitable company's general activities as outlined in the Trustees' Report.

**13. Restricted Funds**

		<b><u>Movement in the Period</u></b>		
<b>Period 30<sup>th</sup> Mar 21 to 31<sup>st</sup> Mar 2022</b>	<b>Funds at beginning of period</b>	<b>Income</b>	<b>Expenditure</b>	<b>Funds at end of period</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
First Ark Social Investment	-	7,500	(-)	7,500
Liverpool City Council	-	11,179	(-)	11,179
Community Resource Grant	-			
Social Investment Business	-	10,000	(10,000)	-
Growth Fund	-			
	-----	-----	-----	-----
	-	28,679	(10,000)	18,679
	=====	=====	=====	=====

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Year end 29 <sup>th</sup> Mar 2021	Funds at beginning of year £	<u>Movement in the Year</u>		Funds at end of year £
		Income £	Expenditure £	
Access to Justice Foundation	-	4,200	(4,200)	-
First Ark Social Investment	-	10,000	(10,000)	-
HMRC Job Retention Scheme	-	10,286	(10,286)	-
Law Centre Federation	-	80,000	(80,000)	-
LCVS Community Impact Fund	-	2,000	(2,000)	-
Liverpool City Council Community Resource Grant	-	10,147	(10,147)	-
Liverpool City Council – Ways to Work ILM Scheme	-	7,289	(7,289)	-
	-----	-----	-----	-----
		123,922	(123,922)	-
	=====	=====	=====	=====

These are monies given to the charitable company to be spent at the discretion of the Board of Trustees for specific charitable purposes.

**Access to Justice Foundation** – Contribution towards Legal Aid Practitioners Group (LAPG) Management & Leadership Programme.

**First Ark Social Investment** – Contribution towards Legal Case management system

**HMRC Job Retention Scheme** – Contribution towards furloughed staff salary costs

**Law Centre Federation** – Contribution towards staff and running costs

**LCVS Community Impact Fund** – Contribution towards advice line costs for individuals

**Liverpool City Council Community Resource Grant** – Funding to provide specialist HR /Employment/Discrimination advice to employers.

	30/03/2021 to 31/03/2022 £	29/03/2021 £
Salaries	-	3,744
Telephone and internet	-	4,822
Payroll	-	581
Accountancy	-	1,000
	-----	-----
	-	10,147
	=====	=====

**Liverpool City Council – Ways to Work ILM Scheme** – contribution towards salary placement costs.

**Social Investment Business Growth Fund** – Contribution towards the growth of the business



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**14. Operating Lease Commitments**

The organisation has a licence commitment in relation to rental of premises at 151 Dale Street dated May 2018; the licence has a one-month notice clause. Also, there is a four-year lease commitment taken out in November 2018 in respect of a photocopier. Payments fall due as under:

	30/03/2021 to 31/03/2022	29/03/2021
	£	£
Premises	1,097	1,097
Photocopier	345	690
	-----	-----
Total due within one year	1,442	1,787
Total due within one to two years	-	345
	-----	-----
	<b>1,442</b>	<b>2,132</b>
	=====	=====

**15. Cash generated from operations**

	2022	2021
	£	£
Surplus for the year	210,995	9,511
<b>Adjustments for:</b>		
Depreciation	57	1,900
Loss on disposal of equipment		
<b>Movements in working capital:</b>		
Decrease/(increase) in work in progress	(110,833)	(7,881)
(Increase)/decrease in debtors	(68,676)	4,340
Increase/(decrease) in creditors	22,085	19,362
Increase/(decrease) in creditors amounts falling due after more than one year	(21,974)	(20,089)
	-----	-----
<b>Cash generated from operations</b>	<b>31,654</b>	<b>7,143</b>
	=====	=====

**16. Contingent Liabilities**

There were no contingent liabilities as at 31<sup>st</sup> March 2022 (29<sup>th</sup> March 2021: none).

**17. Related Parties**

There were no material related party transactions during the year which require disclosure (2021: none).

**18. Guarantees**

As at 31<sup>st</sup> March 2022, 4 members had given a guarantee of £5 each in the event of the company winding-up, total: £20 (29<sup>th</sup> March 2021: 6 members £30).