

NORTH EAST LAW CENTRE
(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS
For the year ended 31 March 2024

Charity Number 1105937
Company Number 01653936

NORTH EAST LAW CENTRE

(A company limited by guarantee)

TRUSTEES ANNUAL REPORT

For the year ended 31 March 2024

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2024. The trustees have adopted the provisions of 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 Purposes and Activities

The North East Law Centre ('Law Centre') provides free specialist legal advice and representation targeted at groups in the community who have the greatest need including the unemployed and low-paid, disabled people, minority communities, women and children. We focus on social welfare law issues such as discrimination, welfare rights, immigration & asylum, employment, education, and family.

The Law Centre has also developed several pro bono services in partnership with legally qualified volunteers and has continued to increase its capacity through established links and partnerships with local practitioners and currently provides discrimination, education, criminal law and Welfare Rights law pro bono advice services. We continue to work with Law Works and other bodies including two of the regional universities and the Bar Pro Bono Unit.

Our current main focus is to increase access to justice and remove barriers for vulnerable clients particularly in terms of understanding their rights to public services; navigating the legal system, legal terminology, knowledge of the law and procedure; and dealing with copious paperwork when accessing public services.

The Law Centre's in-house specialist solicitors and non-practising barristers deal with complex legal issues that transform the lives of our clients, alleviating poverty and tackling social exclusion.

Our vision is that people in North East England with poor access to justice know their legal rights and can exercise them, and have confidence, allies, and routes to a better life.

Our mission is to help vulnerable and disadvantaged people to seek justice, and we are focused on educating the public on their legal rights, providing high-quality legal support, and creating accessible, community-focused pathways to justice.

In accordance with our objectives, our main activities during the year have been:

- To provide free specialist social welfare law advice and representation in immigration and asylum, employment, discrimination, welfare benefits, family, and education.
- To deliver our advice and casework through a combination of methods - by phone, online, face to face work, and some outreach.

NORTH EAST LAW CENTRE

(A company limited by guarantee)

TRUSTEES ANNUAL REPORT

For the year ended 31 March 2024

- To provide a free frontline support, triage, referral and signposting service to enquirers who may or may not become advice/casework clients.
- To supplement the work done by the staff team through pro bono clinics offering advice on employment, family and civil law matters.
- To provide information, resources, a consultancy service and training to local voluntary advice and support agencies, so that agency staff are more aware of their clients' legal rights and can refer them to the Law Centre for help where appropriate, and that their own capacity is built to provide better support for clients in the future.
- To draw on the evidence we collate from our clients' experiences to develop insight into needs and experience, and an understanding of the impact of our work.
- To contribute to public policy discussion and reporting on legislation and policy issues which affect people's welfare.
- To train and develop our team of staff and volunteers.

Public Benefit

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. Most of our services are open to the public and free to our clients, and our affordable privately paying immigration service was designed to provide a more accessible option to our clients who could not afford the fees of private law firms. 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 as the only law centre in the North East.

The Law Centre is unique in its diversity of funding (including legal aid), areas of law, and specialist level of work. It offers a unique and important service to residents across the North East, and in some cases over the border into Cumbria and North Yorkshire. Our services are targeted at marginalised and vulnerable groups including migrant communities, the unwaged, people on low incomes and victims of domestic abuse. Most of our clients fall into what has been termed the “justice gap” because they cannot afford to pay for legal assistance privately, and they are also ineligible for legal aid due to its limited scope, either because they are not poor enough to qualify or cannot afford the required contribution.

Working in partnership is intrinsic to the sustainability of our organisation and sector so we can achieve social impact and change for those we help. With strong connections with community organisations, most of our services are developed and delivered via partnerships to expand our reach. Our development and delivery approaches blend our expertise with those of our community partners to provide services developed from shared priorities and specialist knowledge, tailored to the requirements of our beneficiaries. We lead on several regional projects developed to increase access to specialist advice including:

NORTH EAST LAW CENTRE

(A company limited by guarantee)

TRUSTEES ANNUAL REPORT

For the year ended 31 March 2024

- Justice Together Initiative: a partnership of 11 organisations delivering immigration legal advice and practical support
- Supporting Victims Project: Supports victims of domestic abuse, hate crime and those with no recourse to public funds
- Help Through Crisis Project: 3 partners provide holistic support to Newcastle residents who are in crisis

The 2023/24 year in focus

Achievements and performance

5626 Total number of enquiries handled by the Business Support Team

4,357 New advice requests assessed and triaged, offering enhanced referral and service navigation support

2312 Number of clients contacting the Law Centre for the very first time

1045 Number of times we offered legal advice on discrete issues, including one-off advice appointments and pro bono clinics

880 Cases worked on, where ongoing support or representation was provided.

553 New matters opened within 2023/24

178 Instances of second-tier advice to partners and other organisations in our network

£392k Secured in compensation and settlement agreements for litigants challenging discrimination or unfair treatment in the workplace, benefit entitlement secured for welfare rights clients as a result of our casework and representation

Main Activities

The Law Centre helps people to overcome the effects of poverty and inequality. All our charitable activities are aimed at people on low incomes and are undertaken to further the Centre's charitable purposes for the public benefit.

Our main activities during the year included:

NORTH EAST LAW CENTRE

(A company limited by guarantee)

TRUSTEES ANNUAL REPORT

For the year ended 31 March 2024

- An open-door reception and referral service to help people identify the key legal issues they are facing and to link them with appropriate support (both within the organisation and externally.)
- Specialist casework teams in immigration/asylum, family law, welfare rights, employment and education law.
- Outreach programme delivering weekly specialist legal advice sessions, normally based in front-line services and community venues.
- Three pro bono clinics providing direct assistance with the help of volunteer lawyers, as well as other pro bono activity linked to specific projects and other casework teams.
- Specialist projects for target client groups.

Staff team

The Law Centre has continued to increase its staffing resources and currently employs a team of twenty-five:

Role	Staff
Director	1
Deputy Director	1
Senior solicitor – supervising all areas of the Law Centre’s advice work	1
Solicitors	5
Trainee solicitors	3
Caseworkers	4
Paralegals	1
Consultants	2
Reception and Referral team	3
Business Support Manager	2*
Finance Manager	1
Project Coordinator	1

** Job share*

Reception and Referral Service

In the year 2023/24, the service received 5626 enquiries (5342 in 2022/23), of which about 2312 came from people contacting the Law Centre for the first time. The Law Centre also moved premises, increasing workload on our support teams. Our Business Support team of administrators have continued to perform well given the increased demand and the increased footfall.

NORTH EAST LAW CENTRE

(A company limited by guarantee)

TRUSTEES ANNUAL REPORT

For the year ended 31 March 2024

One-off advice, casework, advocacy and representation

The Law Centre directly received over five thousand unique enquiries, and we provided clients with one-off advice (including written advice), casework and representation during the year including:

Category	Enquiries
Immigration and Asylum	627
Family	345
Welfare rights	313
Employment	242
Crime	148
Education	36
Criminal Injuries Compensation	16
Miscellaneous	198

There were significant casework successes in all areas of our service. For example, our welfare benefit advisers (1.6 FTE) secured an additional £349k in benefits for 54 of their clients. This equates to £6.5k per award and an average of £1.5k per client seen in the year. Over the year we supported clients who presented with more complex clusters of issues that involved relationship breakdown/children, mental health, domestic violence, employment, homelessness problems, or their immigration statuses that gave rise to very complex, and arguably the most serious issues for most of our migrant clients.

Specialist Projects

The Law Centre's specialist projects had a highly successful year with some outstanding casework successes and also a wider impact on behalf of vulnerable groups:

The Justice Together North East Project has grown from strength to strength and enables the Law Centre to continue increasing its reach across the North East by widening access to immigration advice. The project is now in its second year of supporting people with lived experience of the immigration system to obtain timely advice and to influence the immigration and asylum system.

European Union Settlement Scheme Project we have continued to deliver on our own as the scheme entered its final year. We support vulnerable EU nationals to submit complex applications under the scheme.

Supporting Victims Project funded by the Northumbria Police and Crime Commissioner (NPCC). The service supports victims of domestic abuse and migrants with no recourse to public funds. Adopting a holistic and multi-disciplinary intervention approach, we supported victims of domestic abuse left without financial support, to resolve their legal issues and

NORTH EAST LAW CENTRE

(A company limited by guarantee)

TRUSTEES ANNUAL REPORT

For the year ended 31 March 2024

obtain access to welfare support.

Families Through Crisis Project continues to provide support to people on low incomes to access welfare support and other public services. The project was developed and delivered in partnership with two regional partners and is now in its 9th year. We work extensively with grassroots organisations, and the project is targeted at people in Newcastle who would not ordinarily engage with support services and who are experiencing crisis and hardship.

Improving Lives Outcomes Through Legal Support (IOLTLS) Project is funded by the Ministry of Justice (MoJ) under the auspices of the Access to Justice Foundation until June 2025. The project works to sustain and improve access to early social welfare and family legal advice, specialist casework where court or tribunal proceedings are needed, and provide the support needed to help people navigate the process effectively. The project is targeted at litigants in person to help them navigate the three key stages of their journey through the civil justice system.

Client Feedback

We actively encourage feedback from our clients. We collate and analyse findings to help inform our delivery approach and service improvement. Below is a snapshot of client responses to the feedback questionnaires:

Overall experience of the Law Centre was good	93%
Would recommend the service to others	95%
Better understanding of their situation	84%
Advice provided was appropriate to my situation	91%
Advice was good	92%
Presenting issues resolved satisfactorily	95%
Clear idea of next steps	97%
Able to take next steps on my own	87%
Felt supported	100%
Positive impact on health	98%

Pro Bono Legal Advice Clinics

We are also committed to pro bono support and have developed several clinics in partnership with LawWorks in discrimination, welfare rights and education. Our criminal law clinic has grown from strength to strength and has supported 148 clients during the year. We have recently commenced a civil law pro bono clinic in partnership with Norton Rose Fulbright providing limited 'one-off' advice to resolve issues or provide clients with a clear roadmap of next steps on small claims issues including consumer complaints.

We are currently exploring two new clinics in housing and family law in 2024/25, with support from two commercial law firms.

NORTH EAST LAW CENTRE

(A company limited by guarantee)

TRUSTEES ANNUAL REPORT

For the year ended 31 March 2024

Second Tier Support

In line with our North East remit, we offer support to advice agencies and other second tier organisations throughout the North East in the areas of law in which we specialise. This support is in the form of one-off instances of advice.

Also, we continue to run training programmes about access to justice for staff and volunteers from organisations across the voluntary sector.

Financial Position

We have no core funding and have developed diverse funding streams through grants from private trusts and foundations, public sector bodies, a small legal aid contract (asylum only) and other public sector contracts. These contracts and grants make up approximately 90% of our annual income, most require annual renewal and significant resources to maintain, and our aim over time is to secure more multi-year grants.

We continue to work towards our strategic aim of stronger financial sustainability and we have again strengthened our financial position this year with turnover over £700k and an increase in our unrestricted reserves.

Private Immigration Advice Service

To broaden our offer to those needing support, we operate an affordable private immigration service with clients paying directly for our services. The service is an affordable alternative to high street law firms that are out of reach to most of our client groups. It is now fully embedded into the Law Centre's operations, and has enabled the Law Centre to meet increased demand from clients that are ineligible for grant-funded services.

As well as supporting key client groups the service complements the Law Centre's sustainability strategy. It reduces our reliance on grants, and any surplus income contributes towards providing free advice to people on low incomes and our charitable purposes.

Risk Management

The Board of Trustees conducts regular reviews of the major risks to which the charity is exposed. There is a risk register that is regularly updated and reviewed by the Board. Where appropriate, systems and procedures have been established to mitigate these risks.

The Law Centre is accredited under the Law Society's Lexcel Quality Standard, with annual monitoring visits to maintain quality compliance and Lexcel accreditation.

NORTH EAST LAW CENTRE

(A company limited by guarantee)

TRUSTEES ANNUAL REPORT

For the year ended 31 March 2024

Plans For Future Periods

Our immediate plan is to continue to harness the progress we have made since our move to new premises in March 2024, to ensure that the Law Centre is adequately resourced to meet increased demand as a result of visibility in our new location, and to secure additional multi-year grants to support our service so that we can continue working to obtain justice on behalf of those who need it the most.

Our Equality, Diversity and Inclusion strategy is now nearing completion and will help to shape our service development and delivery with all our stakeholders playing pivotal roles in key areas of our service.

The Board of Trustees would like to extend their thanks to our funders, partners, beneficiaries and to the Law Centre's staff and volunteers for all their continued commitment to the work of the charity.

Reserves policy

The centre retains reserves to help manage variations in funding and spending commitments. The types of reserves and the Board's policy for managing reserves are set out in the table below.

Balance type	Description and purpose(s)	Approach
Restricted reserves	Balances of restricted income paid to the centre but not yet spent on services	Monitor and set a range for management/Board to track against but not a formal policy for the accounts
Unrestricted reserves	Orderly wind down costs for ceasing operations and discharging liabilities	Set a policy of having unrestricted reserves of 1-3 months of <u>total</u> expenditure
	Working capital needed to fund timing differences between costs and income	
	Bridge funding for maintaining services when funding is not available for a short period or there is an unexpected additional expense	
	Available funding for investing in new activities (with designated funds used when investment purpose is clear)	
Designated funds	Unrestricted funding that the Board designates for a particular purpose; these are excluded from the definition of free (unrestricted) reserves and reported separately	To be considered annually by the board of trustees

NORTH EAST LAW CENTRE

(A company limited by guarantee)

TRUSTEES ANNUAL REPORT

For the year ended 31 March 2024

The Board has a policy of maintaining unrestricted reserves equivalent to between one and three months of total expenditure (excluding grants to partners). In 2021-22 this was set as a range of £62,500 - £187,500. The Board and centre management have compared this range with estimates of costs in the unlikely event of winding down the centre, the working capital requirements of operating services, and the need to bridge temporary gaps in funding and ensure continuity of services.

At 31 March 2024 unrestricted reserves were £398,770 (2023 - £300,722), an increase of £98,048 in the year. Although the Board and management believe that the reserves policy remains appropriate for the medium term, the Board has accepted a higher level of reserves in light of short-term factors. These include:

- Greater uncertainty about projected income at the start of the financial year and the possibility of a net deficit over 2024-25.
- Maintaining continuity of services where funding has not yet been agreed at the start of the financial year. Funding agreements are increasingly finalised late in the financial year. A higher level of reserves at 31 March 2024 has allowed the Centre to continue to provide access to key services including specialist employment and education law advice.
- Providing flexibility for the Centre in addressing cost of living pressures for staff and managing recruitment and retention in a difficult economic environment.

Reference and Administrative Details

Registered company number:	01653936 (England and Wales)
Registered charity number:	1105937
Registered Office	10-13 Saville Row Newcastle Upon Tyne England NE1 8JE
Trustees	Mr C J Whittle, Chair Mr D Slater, (resigned 16 November 2023) Mr J Cripps, (resigned 30 April 2024) Mr P Jones, (resigned 16 November 2023) Mrs K J Proud Mrs A Khatiri Prof P Hopkins Mr M Tse, Treasurer Mr S Cockburn, (appointed 6 July 2024) Ms K T Flounders, (appointed 1 July 2024) Ms D Lima, (appointed 6 July 2024)
Key Management Personnel	Mr M Fawole Centre Director

NORTH EAST LAW CENTRE

(A company limited by guarantee)

TRUSTEES ANNUAL REPORT

For the year ended 31 March 2024

Independent	Jim Dodds
Examiner	33 The Glebe Morpeth NE61 6HW
Bankers	The Co-operative Bank Plc 84-86 Grey Street Newcastle Upon Tyne NE1 6BZ

Structure, Governance and Management

Nature of governing document

North East Law Centre is a registered charity and company limited by guarantee. The company is governed by its Memorandum and Articles of Association and was incorporated on 26 July 1982 and last amended on 23rd April 2018 - number 01653936 and is also a registered charity – number 1105937.

Recruitment and appointment of trustees

Trustees are recruited wherever possible by advertisement. It is open to anyone to apply to become a trustee however, our aim is always to ensure that all our trustees have skills that support our aims and objectives. All appointments must be ratified by the Board. Trustees stand for a fixed term of three years and are re-elected at the Annual General Meeting.

Induction and training of trustees

Trustees receive an induction with the Centre Director where policies, procedures, current and past work are discussed. Each member receives a copy of the governance manual.

The Trustees have placed particular emphasis on Equality, Diversity and Inclusion in the past year and have worked closely with an independent consultant to improve their understanding of institutional barriers facing minorities. Trustee recruitment has brought greater diversity, but the Trustees remain aware that as a Board we do not fully reflect the lived experience of our clients. We are developing a plan to ensure we do all we can to tackle systemic and other barriers to equality.

Organisational structure

The charity is managed by the trustees who meet at least 6 times per year. The trustees, who served during the year and up to date of the report, are set out on page 1. There were some changes in the trustees this year, but the breadth of experience of the board continues to increase with a range of required skills to better support the organisation.

NORTH EAST LAW CENTRE

(A company limited by guarantee)

TRUSTEES ANNUAL REPORT

For the year ended 31 March 2024

The operational management of the organisation is undertaken by the paid staff team.

The trustees have examined the major risks which the charity faces in relation to external factors, governance and management, internal operations, and business. The trustees have considered the likelihood and the impact of risks, and continually review the systems in place to reduce those risks. The systems are being designed to provide reasonable assurance against material loss.

Statement of Trustees' Responsibilities

The charity trustees are responsible for preparing a trustees' annual report and 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 of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (Statement of Recommended Practice);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Approved by order of the board of trustees on 21 / 11 / 2024 and signed on its behalf by:



Charles Whittle
Chair

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES

For the year ended 31 March 2024

I report on the financial statements of North East Law Centre for the year ended 31 March 2024, which are set out on pages 12 to 24.

Respective responsibilities of trustees and examiner

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

The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a Fellow of the Association of Charity Independent Examiners.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- ☐ examine the accounts under section 145 of the Charities Act,
- ☐ to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities 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 material matters have come to my attention which gives me cause to believe that in, any material respect:

- ☐ accounting records were not kept in accordance with section 386 of the Companies Act 2006; or
- ☐ the accounts do not accord with such records; or
- ☐ the accounts do not comply with relevant accounting requirements under section 396 of the Companies Act 2006 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
- ☐ the accounts have not been prepared in accordance with the Charities SORP (FRS102).

I have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Jim Dodds
33 The Glebe
Morpeth
Northumberland
NE61 6HW
Date:

NORTH EAST LAW CENTRE

(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES

(INCLUDING SUMMARY INCOME & EXPENDITURE ACCOUNT)

For the year ended 31 March 2024

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2024 £	Total 2023 £
<u>Income from:</u>					
Donations and legacies	6	490	-	490	1,620
Charitable activities					
Income from grants	7	115,380	730,592	845,972	665,659
Other trading activities	8	97,507	-	97,507	68,516
Investments	9	490	-	490	102
Total income		213,867	730,592	944,459	735,897
<u>Expenditure on:</u>					
Charitable activities					
Operation of the charity	11	115,819	776,030	891,849	773,446
Total expenditure		115,819	776,030	891,849	773,446
Net movement of funds		98,048	(45,438)	52,610	(37,549)
<u>Reconciliation of funds</u>					
Total funds brought forward		300,722	61,574	362,296	399,845
Total funds carried forward		398,770	16,136	414,906	362,296

The Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities

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

BALANCE SHEET

As at 31 March 2024

	Notes	£	Total 2024 £	£	Total 2023 £
<u>Current assets</u>					
Debtors	19	94,384		80,131	
Cash at bank and in hand	20	387,315		416,547	
Total current assets		481,699		496,678	
Creditors: amounts falling due within one year	21	(66,793)		(134,382)	
Net current assets			414,906		362,296
Total assets less current liabilities			414,906		362,296
Total net assets or liabilities			414,906		362,296
<u>Funds of the charity</u>					
Unrestricted income funds			298,770		300,722
Designated income funds			100,000		-
Restricted income funds			16,136		61,574
Total funds			414,906		362,296

The company was entitled to an exemption from audit under s477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act with the respect to accounting records and the preparation of accounts.

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.

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

These financial statements were approved by the Board on:

21 / 11 / 2024

and are signed on its behalf by:

Charles Whittle
Chair



STATEMENT OF CASH FLOWS

For the year ended 31 March 2024

	Notes	2024 £	2023 £
<u>Cash flows from operating activities</u>			
Net movement in funds		52,610	(37,549)
Investment income		(490)	(102)
Increase in trade receivables		(14,253)	33,210
Decrease in trade payables		(167,589)	(43,196)
Increase in deferred income		100,000	(50,000)
<i>Cash generated from operations</i>		(29,722)	(97,637)
<u>Cash flow from investing activities</u>			
Interest received		490	102
<i>Net cash from investing activities</i>		490	102
Decrease in cash and cash equivalents		(29,232)	(97,535)
Cash and cash equivalents at start of year		416,547	514,082
Cash and cash equivalents at end of year		387,315	416,547

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

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

NORTH EAST LAW CENTRE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

1 Accounting Policies

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

2 Basis of accounting

2.1 Basis of preparation

These 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 accounts 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 Charities Act 2011.

North East Law Centre meets the definition of a public benefit entity under FRS 102.

2.2 Preparation of the accounts on a going concern basis

The charity reported total unrestricted funds at the year end of £398,770 and has already secured a significant amount of funding for the current year. The trustees are of the view that the immediate future of the charity for the next 12 to 18 months is secure and that on this basis the charity is a going concern.

3 Income

3.1 Recognition of income

Income is recognised when the charity has entitlement to the resources, any performance conditions attached to the item(s) of income have been met, it is more likely than not that the resources will be received and the monetary value can be measured with sufficient reliability.

3.2 Offsetting

There has been no offsetting of assets and liabilities, or income and expenses, unless required or permitted by FRS102 SORP or FRS102.

3.3 Grants and donations

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance or provision of other specified service is deferred until the criteria of income recognition are met.

NORTH EAST LAW CENTRE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

3.4 Donated goods and services

Donated goods are measured at fair value (the amount for which the asset could be exchanged) unless impractical to do so.

Donated services and facilities are included in the SoFA when received at the value of the gift to the charity provided that the value of the gift can be measured reliably. Donated services and facilities that are consumed immediately are recognised as income with the equivalent amount recognised as an expense under the appropriate heading in the SoFA.

3.5 Volunteer help

The value of volunteer help received is not included in the accounts but is described in the trustees' annual report.

3.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

3.7 Income from membership subscriptions

Membership subscriptions received in the nature of a gift are recognised in donations and legacies.

Membership subscriptions which gives a member the right to buy services or other benefits are recognised as income earned from the provision of goods and services as income from charitable activities.

3.8 Investment gains and losses

This includes any realised or unrealised gains or losses on the sale of investment and any gain or loss resulting from revaluing investments to market value at the end of the year.

3.9 Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charities' work or for specific projects being undertaken by the charity.

4 Expenditure and liabilities

4.1 Liability recognition

Liabilities are recognised when it is more likely than not that there is a legal or constructive obligation committing the charity to pay out resources and the amount of the obligation can be measured with reasonable certainty.

4.2 Charitable activities

Expenditure on charitable activities includes the costs of providing legal advice and other activities undertaken to further the purposes of the charity and their associated support costs.

NORTH EAST LAW CENTRE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

4.3 Governance and support costs

Support costs have been allocated between governance cost and other support. Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

4.4 Irrecoverable VAT

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

4.5 Creditors

The charity has creditors which are measured at settlement amounts less any trade discounts.

4.6 Provisions for liabilities

A liability is measured on recognition at its historical cost and then subsequently measured at the best estimate of the amount required to settle the obligation at the reporting date.

5 Assets

5.1 Tangible fixed assets for use by the charity

Individual fixed assets costing £1,000 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight line basis as follows:

Office and computer equipment	Straight line over five years
-------------------------------	-------------------------------

5.2 Investments

Fixed asset investments in quoted shares, traded bonds and similar investments are valued at initially at cost and subsequently at fair value (their market value) at the year end. The same treatment is applied to unlisted investments unless fair value cannot be measured reliably in which case it is measured at cost less impairment.

Investments held for resale or pending their sale and cash and cash equivalents with a maturity date of less than 1 year are treated as current asset investments.

NORTH EAST LAW CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

Analysis of income

	Unrestricted Funds £	Restricted Funds £	Total 2024 £	Total 2023 £
6 Donations and legacies				
Donations from individuals	490	-	490	1,620
	<u>490</u>	<u>-</u>	<u>490</u>	<u>1,620</u>

7 Income from charitable activities

Income from grants

The National Lottery Community Fund - RC North East and Cumbria Region	-	97,315	97,315	50,000
EU Settlement Scheme	-	57,643	57,643	57,070
Legal Education Foundation	-	36,931	36,931	27,212
Lloyds Bank Foundation for England and Wales	-	-	-	35,833
NEFlows Project	-	72,216	72,216	70,250
Northumbria Police & Crime Commissioner	-	70,705	70,705	68,450
The Baring Foundation	-	-	-	31,404
The Tudor Trust	-	33,000	33,000	36,000
William Trust	-	-	-	7,272
AB Charitable Trust	-	22,000	22,000	20,000
LSLIP	-	-	-	11,316
Improving Lives Through Advice (ILTA)	100,000	-	100,000	-
Help Accessing Legal Support Grant	-	44,485	44,485	88,970
Improving Outcomes through Legal Support	-	84,007	84,007	-
Justice Together Initiative	-	211,290	211,290	161,882
Mea Trust Grant	2,880	-	2,880	-
Hadrian Trust	-	1,000	1,000	-
Community Foundation	10,000	-	10,000	-
Joicey Trust	2,500	-	2,500	-
	<u>115,380</u>	<u>730,592</u>	<u>845,972</u>	<u>665,659</u>

8 Other trading activities

Paid for legal advice	25,252	-	25,252	26,105
Fundraising events	570	-	570	1,162
Other income	-	-	-	168

Income from contracts

LSC Contract	37,099	-	37,099	10,027
Syrian Resettlement Programme	34,586	-	34,586	31,054
	<u>97,507</u>	<u>-</u>	<u>97,507</u>	<u>68,516</u>

9 Income from investments

Bank interest	490	-	490	102
	<u>490</u>	<u>-</u>	<u>490</u>	<u>102</u>

Income was £944,459 (2023: £735,897) of which £213,867 was unrestricted or designated (2023: £70,238) and £730,592 was restricted (2023: £665,659).

NORTH EAST LAW CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

10 Expenditure on charitable activities

	Unrestricted Funds £	Restricted Funds £	Total 2024 £	Total 2023 £
Charitable activities	46,597	724,117	770,714	633,929
Support costs	69,222	51,913	121,135	139,517
	<u>115,819</u>	<u>776,030</u>	<u>891,849</u>	<u>773,446</u>

Expenditure on charitable activities was £891,849 (2023: £773,446) of which £115,819 was unrestricted or designated (2023: £28,306) and £776,030 was restricted (2023: £745,140).

	Activity Undertaken Directly £	Activity Support Costs £	Total 2024 £	Total 2023 £
Charitable activities	770,714	119,300	890,014	768,214
Governance costs	-	1,835	1,835	5,232
	<u>770,714</u>	<u>121,135</u>	<u>891,849</u>	<u>773,446</u>

11 Analysis of support costs and governance

	Unrestricted Funds £	Restricted Funds £	Total 2024 £	Total 2023 £
<u>Support costs</u>				
Premises costs	14,308	29,897	44,205	30,206
Equipment leasing	3,559	882	4,441	1,192
Project specific costs and IT costs	14,832	6,197	21,029	15,109
Bank charges	929	-	929	1,004
Other support costs	15,236	6,341	21,577	40,526
Legal, professional and consultancy costs	18,523	8,596	27,119	46,248
<u>Governance costs</u>				
Independent examiner's fees for reporting on the accounts	1,835	-	1,835	5,232
	<u>69,222</u>	<u>51,913</u>	<u>121,135</u>	<u>139,517</u>

The charity allocates costs directly to activities as far as possible, then identifies the remaining costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between the key charitable activities undertaken in the year.

12 Fees for examination of the accounts

	2024 £	2023 £
Independent examiner's fees for reporting on the accounts	1,835	5,232
	<u>1,835</u>	<u>5,232</u>
There were no other fees paid to the examiner (2023: £nil)		

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

13 Analysis of staff costs, and the cost of key management personnel

	2024	2023
	£	£
Salaries and wages	564,867	514,409
Social security costs	54,465	42,133
Pension costs (defined contribution pension plan)	40,405	37,100
	659,737	593,642

One employee received remuneration between £60,000 and £70,000 (2023: One employee)

The key management personnel of the charity, comprise the trustees and senior management . The total employee benefits of the key management personnel of the charity were £160,650 (2023: £140,466).

14 Staff Numbers

The average monthly head count was 21 staff (2023: 20 staff) and the average monthly number of full-time equivalent employees during the year were as follows:

	2024	2023
	Number	Number
The parts of the charity in which the employees work:		
Charitable activities	19.0	20.0
	19.0	20.0

15 Transactions with trustees

None of the trustees have been paid any remuneration or received any other benefits from an employment with their charity or a related entity.

Trustees' expenses

No trustee expenses have been incurred in the year.

Transaction(s) with related parties

There has been no related party transactions in the reporting period.

16 Pension commitments

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The employer's pension costs represent contributions payable by the charity to the fund and amount to £24,922 (2023: £37,100). There was £3,764 outstanding as at 31 March 2024 (2023: £3,116).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

16 Pension commitments continued

Defined benefit pension schemes

Tyne and Wear Pension Fund

North East Law Centre staff participated in the Tyne and Wear Pension Fund, which has now been closed. This is a multi-employer defined benefit scheme.

The scheme is accounted for as a defined contribution scheme as the future service accrual contribution rate is assessed on a "grouped" basis and therefore it is not possible to identify the share of underlying assets and liabilities belonging to individual participating employers. The amount recognised as an expense in the period was £15,483 (2023: £11,700). There were 1 (2023: 1) employee participating in the scheme during the year.

An amount of £nil (2023: £nil) was outstanding at the year end.

There is an agreement in place with Newcastle City Council which guarantees they will pay any deficit that may arise on the termination of the pension scheme.

17 Corporation Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objectives.

18 Tangible fixed assets

Cost

Balance brought forward

Additions

Balance carried forward

Depreciation

Basis

Rate

Balance brought forward

Depreciation charge for year

Balance carried forward

Net book value

Brought forward

Carried forward

Furniture and equipment	Total
£	£
7,555	7,555
-	-
7,555	7,555
SL	
20%	
7,555	7,555
-	-
7,555	7,555
-	-
-	-

19 Debtors and prepayments (receivable within 1 year)

	2024	2023
	£	£
Trade debtors	83,046	55,969
Prepayments	11,338	6,487
Accrued income	-	17,500
Other debtors	-	175
	94,384	80,131

NORTH EAST LAW CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

20 Cash at bank and in hand

	2024 £	2023 £
Cash at bank and in hand	387,315	416,547
	<u>387,315</u>	<u>416,547</u>

21 Creditors and accruals (payable within 1 year)

	2024 £	2023 £
Trade creditors	42,423	2,219
Taxation and social security	12,552	280
Pension	3,764	3,116
Accruals		
Independent examination of accounts	1,835	5,232
Other creditors	6,219	123,535
	<u>66,793</u>	<u>134,382</u>

Other creditors £6,219 (2023 - £123,535) payable to other partners subject to a funding agreement for which North East Law Centre is acting as agent. The total amount received as agent and subsequently not reflected in the accounts totalled £75,140 (2023 - £305,050). Of this £192,456 (2023 - £274,823) was paid over to the respective partners.

22 Events after the end of the reporting period

No events (not requiring adjustment to the accounts) have occurred after the end of the reporting period but before the accounts are authorised which relate to conditions that arose after the end of the reporting period.

23 Obligations under leases and hire purchase contracts

Operating lease commitments

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

	2024 £	2023 £
Land and Buildings		
Within one year	20,000	19,033
Between one and five years	57,500	-
	<u>77,500</u>	<u>19,033</u>
Other		
Within one year	2,040	1,837
Between one and five years	-	459
	<u>2,040</u>	<u>2,296</u>

NORTH EAST LAW CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

24 Analysis of charitable funds

Analysis of movements in unrestricted funds

	Fund balances brought forward	Incoming resources	Resources expended	Transfers	Fund balances carried forward
	£	£	£	£	£
Unrestricted funds					
General unrestricted fund	300,722	113,867	(115,819)	-	298,770
Designated funds					
Improving Lives Through Advice (ILTA)	-	100,000	-	-	100,000
Totals	300,722	213,867	(115,819)	-	398,770

Purpose of unrestricted funds

General unrestricted fund	The 'free reserves' of the charity.
Designated funds	
Improving Lives Through Advice (ILTA)	Funds received in March 2024 to be used from 1 April 2024.

Analysis of movement in restricted funds

	Fund balances brought forward	Incoming resources	Resources expended	Transfers	Fund balances carried forward
	£	£	£	£	£
Restricted funds					
Help Accessing Legal Support Grant	-	44,485	(44,485)	-	-
A B Charitable Trust	-	22,000	(22,000)	-	-
Northumbria Police & Crime Commissioner	-	70,705	(70,705)	-	-
Legal Education Foundation	-	36,931	(36,931)	-	-
EU Settlement Scheme	-	57,643	(57,643)	-	-
NEFlows Project	-	72,216	(72,216)	-	-
The Tudor Trust	-	33,000	(33,000)	-	-
Justice Together Initiative	61,574	211,290	(256,728)	-	16,136
Hadrian Trust	-	1,000	(1,000)	-	-
Improving Outcomes through Legal Support IOTLS	-	84,007	(84,007)	-	-
The National Lottery Community Fund - RC North East and Cumbria Region	-	97,315	(97,315)	-	-
Totals	61,574	730,592	(776,030)	-	16,136

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

24 Analysis of charitable funds continued

Purpose of restricted funds

Restricted funds represent income resources used for a specific purpose within the charity as identified by the donor.

Help Accessing Legal Support Grant	Salary costs for employment, family and welfare benefit specialist advisers and a pro rata contribution for Business Support, Finance, Management and core costs.
A B Charitable Trust	Business Support Administrator salary costs.
Northumbria Police & Crime Commissioner	Supporting Victims Funding is specifically targeted at victims of crime. Victims are given access to our advice and support services in the relevant areas of law.
Legal Education Foundation	Contribution to the salary costs of a trainee solicitor and supervision under The Fellowship Scheme.
EU Settlement Scheme	Delivery of the LCN EUSS Complex Case Project.
NEFlows Project	Delivery of the FLOWS legal advice and support.
The Tudor Trust	Contribution towards the salary cost of the charity's centre director.
Justice Together Initiative	Salary costs for immigration specialist advisers, senior solicitor, relationship manager and a pro rata contribution for Business Support, Finance, Management and core costs.
Hadrian Trust	To provide specialist advice for all welfare benefits.
Improving Outcomes through Legal Support IOTLS	Specialist intervention for support with appeals/ hearings to enable beneficiaries to navigate the judicial process and progress effectively through the HM Courts and Tribunals Service.
The National Lottery Community Fund - RC North East and Cumbria Region	Information, assistance and legal advice to families and individuals who are experiencing crisis and hardship and are unable to engage with support services.

25 Capital commitments

As at 31 March 2024, the charity had no capital commitments (2023 -£nil).

26 Analysis of net assets between funds 2024.

	Unrestricted Funds £	Designated funds £	Restricted Funds £	Total 2024 £
Cash at bank and in hand	271,179	100,000	16,136	387,315
Other net current assets/(liabilities)	27,591		-	27,591
	298,770	100,000	16,136	414,906

Analysis of net assets between funds 2023.

	Unrestricted Funds £	Designated funds £	Restricted Funds £	Total 2023 £
Cash at bank and in hand	354,973	-	61,574	416,547
Other net current assets/(liabilities)	(54,251)		-	(54,251)

NORTH EAST LAW CENTRE

(A company limited by guarantee)

300,722 - 61,574

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024
