

THE LEGAL EDUCATION FOUNDATION

England & Wales · Charity number 271297

Details

Other names	THE COLLEGE OF LAW, LEF
Status	Registered
Legal form	Other
Company number	RC000126
Registered	1976-05-24
Register	View on the Charity Commission register

Contact

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Activities

Objects: THE OBJECT FOR WHICH THE FOUNDATION IS CONSTITUTED IS TO PROMOTE THE ADVANCEMENT OF LEGAL EDUCATION AND THE STUDY OF LAW IN ALL ITS BRANCHES, AND THE SOUND DEVELOPMENT AND ADMINISTRATION OF LAW

Activities: We are an independent foundation supporting communities across the UK to use the law to create a more just and equal society.

Classification

- **How:** Makes Grants To Organisations, Sponsors Or Undertakes Research
- **What:** Education/training
- **Who:** Other Defined Groups

Geography

- Northern Ireland
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-06-30	£6,346,000	£20,064,000	£277,455,000	26
2024-06-30	£10,334,000	£16,210,000	£291,509,000	23
2023-06-30	£11,892,000	£13,846,000	£271,334,000	20
2022-06-30	£5,150,000	£14,670,000	£265,148,000	20
2021-06-30	£5,308,000	£11,043,000	£294,785,000	18

Trustees

Name	Role	Appointed
ALISON PICKUP		2018-07-04
Barbora Bukovska		2023-12-14
Benjamin Kernighan		2026-04-02
Chrisann Suzanne Jarrett MBE		2025-03-27
Fiona Mactaggart		2025-03-27
Maxine Thomas-Asante		2025-03-27
Sajjad Sabur		2024-10-10
Tamsin Evans		2023-01-24
Vivek Luthra		2020-02-26

Accounts

LEF

The Legal Education Foundation

Annual report and consolidated financial statements

Year to 30 June 2025

Foundation details

Principal Office

15 Alfred Place
London
WC1E 7EB

Charity Registration Number

271297

Principal Professional Advisers

Independent Auditor

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Investment Advisers

Sarasin and Partners LLP
Juxon House
100 St Paul's Churchyard
London
EC4M 8BU

Banker

National Westminster Bank plc
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Report of the Trustees

For the Year ended 30 June 2025

Report of the Trustees for the Year Ended 30 June 2025

Constitution

The Foundation was charity incorporated in 1962 and granted a Royal Charter in 1975. The ultimate control of the Foundation is vested in the Trustees.

Objects

The objects of the Foundation, as set out in its Royal Charter, are: ‘To promote the advancement of legal education and the study of law in all its branches, and the sound development and administration of law.’

Public benefit

The Trustees confirm that they have referred to the Charity Commission’s guidance on public benefit when considering the Foundation’s aims and objectives, in planning future activities, and setting its grant-making policy. The information on the following pages, provides more detail on the benefit that the Foundation’s activities provide to the public.

Structure

The Group consists of the Foundation and its wholly owned subsidiary, Justice Collaborations. Justice Collaborations was incorporated on 22 November 2019, is a company limited by guarantee and received charitable status on 17 January 2020. The Trustee Board of Justice Collaborations comprises three Trustees; the Foundation’s Chief Executive and two independent Trustees. Justice Collaborations’ Objects incorporate those of the Foundation, but are wider.

Chair's Foreword

This report details a critical year's work in the history of the Legal Education Foundation, at the juncture of a new strategy, new branding and expanded scope. Unprecedented local, national and international challenges have not overwhelmed, but rather inspired a greater determination to place social justice at the centre of our mission.

This year, much time, thought and constructive debate has been spent seeking to realise that ambition through a new strategic plan. I commend my fellow trustees, staff teams and our grant partners who have listened, collaborated and strategised internally and among other funders, policy activists and affected communities, to create a plan of action to engage the law as a means of securing social justice. As a result of prudent investment practice over the years, we have a strong asset base. This year, there has been impressive work by our Investment Committee in transforming our appreciation of various options to engage our assets in pursuit of our mission. This is a progressive discussion benefiting from the skills and elucidation provided by members.

We continue to reinforce our approach to funding, to be flexible and supportive in our relationship with grant partners, evidenced in automatic grants for the wellbeing of staff and volunteers often at the front line of harassment, discrimination or violence. Repurposing funds as a result of unpredictable changes in circumstances has been supported and creative responses encouraged. Throughout the strategy development process, grant making continued alongside active networking and collaboration within the sector.

Promoting use of the law as a tool is reflected in our Justice First Fellowships. 170 lawyers have now been supported to specialise in social justice, connecting with each other and wider networks across the UK. An organisational commitment to understanding and delivering on a Power, Culture and Inclusion agenda has informed critical decisions, supported the revised strategy and expanded the range of experience on the Board. This approach has been in part inspired by the work of our subsidiary Justice Collaborations, whose funding coalition the Justice Together Initiative, continues to support work to transform access to justice in the UK immigration system and embed anti-racist work across the UK.

Over the last five years my time with the Legal Education Foundation has been progressively rewarding and instructive. In the next financial year, I will leave the Board, having been privileged to chair a dynamic and committed team. I leave with every confidence in the energy, skills and integrity of my trustee colleagues to support and work with a talented staff team to deliver our mission with respect, transparency and the courage required to stand behind those for whom social justice is not yet a reality.

Paddy Sloan

Paddy Sloan (Dec 10, 2025 12:01:05 GMT)

Paddy Sloan (she / her)
Chair of Trustees

Key developments in the year

Context

New government

The year began under a new Labour government, with civil society, including many of our partners, swiftly engaging ministers to press for change. The need for progress on social justice remains urgent.

Labour has broadly affirmed support for the rule of law and human rights frameworks such as the European Convention on Human Rights and the Refugee Convention, though this has been tempered by talk of amendments to Article 8 and exploring offshore asylum processing, raising doubts about the strength of those commitments.

Policy developments have been mixed. Employment rights have seen modest gains, but immigration, asylum and welfare policy have regressed. The new Border Security, Asylum and Immigration Bill rolls back parts of earlier legislation but preserves provisions that weaken protections, while welfare reform proposals include cuts to disability benefits and retention of the two-child cap.

In criminal justice, a ‘tough on crime’ approach persists, with expanded police powers and little attention to racial justice. Protest rights saw a legal victory against misuse of secondary legislation, but restrictive proposals continue. On trans rights, the Supreme Court’s *For Women Scotland* ruling has been used to justify political retreat from reform, with negative repercussions for trans equality.

Overall, progress on rights is constrained by weak legislative scrutiny, cautious politics and limited appetite for bold reform. Rights-based approaches are being re-framed in favour of technocratic fixes, raising questions about parliamentary routes to change. In this climate, civil society remains vital: recent gains, particularly on protest rights, have come through advocacy and litigation outside Parliament. This underlines the ongoing importance of independent institutions and sustained civil society pressure.

Challenges to social justice and rights-based work

The far-right riots and racist attacks of summer 2024 had a profound impact on our grant partners and colleagues. Immigration advice agencies and staff faced threats, abuse, intimidation and vandalism, highlighting the dangers of defending rights and the toll this takes on those most affected.

The foundation responded in solidarity and in line with our commitment to anti-racism and social justice, working with other funders, particularly the Civic Power Fund, to provide urgent support for security and wellbeing. We also contributed to a joint public response and adapted internal processes to enable faster, more flexible action in future crises. The large-scale, peaceful demonstrations in support of targeted organisations showed widespread solidarity, yet our partners continue to face the lasting effects of anti-migrant, racist and Islamophobic actions and policies. Our approach balances urgent assistance with long-term systemic change, centring wellbeing, practising anti-racism and standing alongside our partners.

In Northern Ireland we have focused on strengthening collaboration and advocacy in the context of post-Brexit challenges, with partners working to safeguard human rights as central to the Good Friday Agreement.

In Scotland, the UNCRC Incorporation Act came into force in July 2024, requiring children's rights to be embedded in public services. Soon after, the Scottish Human Rights Bill was paused, disappointing civil society organisations that had shaped the draft.

In Wales, rights-based work faces acute challenges. Gaps in legal advice leave laws like the Renting Homes Act unenforced, disability campaigners are still awaiting a long-promised action plan, and welfare cuts are expected to hit hard. Rising far-right activity adds to the pressures ahead of the 2026 Senedd election, which will introduce proportional representation.

Across the UK, progressive legal work is under increasing strain. We no longer see the government of the day targeting “activist lawyers”, but organisations face surveillance, restrictive charity and counter-terror rules. Cost risks, time limits, and new procedural hurdles have further narrowed access to judicial review, while parts of the judiciary appear increasingly cautious about rulings that could be seen as politically expansive or redistributive.

These trends mirror a global shift, from the UK to the US, Brazil and the Philippines, where lawyers, judges and campaigners seeking to hold power to account are treated as threats. The consequences are profound for individuals and for democratic accountability.

In this climate, invoking the rule of law and defending human rights is no longer a neutral or technical act - it is increasingly a bold and necessary one. We remain committed to supporting legal work that protects dignity, challenges injustice and advances structural change, standing in solidarity with those on the frontline.

Social justice funding

The erosion of legal aid and public funding remains one of the sector's greatest constraints. Decades of cuts have hollowed out provision in social welfare, housing and immigration, while commissioning changes since the 2000s have tightly controlled delivery and underfunded real costs. Large parts of the UK are now legal advice deserts, with the few surviving organisations overstretched and forced to ration support.

This creates injustice in individual cases and undermines the infrastructure on which progressive legal work depends: the capacity to build relationships, test and develop the law, collaborate, and sustain long-term action. We therefore continue to affirm the state's responsibility to fund access to justice, recognising that democratic confidence rests on everyone being able to use the legal system. Public funding also serves the state's interest by supporting work to identify systemic failures and routes for reform. When communities use the law themselves, rights are affirmed as public goods, not private entitlements.

Through the *Justice Together Initiative* that we host, we have supported advocacy persuading local authorities to fund immigration advice, making social, public health and financial arguments. Our support for UCL's health justice partnerships has demonstrated the value of resolving social welfare legal problems as a health intervention. We know there are allies in government, including within the Ministry of Justice, on the case for public funding.

Independent funders have a complementary role: not to replace public provision but to help reimagine how justice is resourced. *Funding Justice 3* published by Civic Power Fund and The Hour is late, and co-funded by the foundation, showed that while more funders are motivated by injustice, social justice work remains under-resourced and too rarely builds community power.

In response, we are shifting our own response. As this year drew to a close, we launched a major new strategy. This puts work to strengthen the power of communities to use and shape the law at centre. We have continued to move from shorter-term project funding to longer, larger core grants and are funding more “by and for” organisations and those integrating legal work with organising and campaigning. We continue to expand our relational model of grantmaking based on trust, flexibility and long-term support, aligned with the *Open and Trusting Grantmakers* initiative led by the Institute of Voluntary Action Research. We are reducing bureaucracy, focusing on learning not reporting, and designing programmes with, not just for, those doing the work. We are also working to deepen accountability by increasing lived and learned experience on our board and staff, sharing power through advisory panels, and being transparent about our own learning and limitations.

We want law to be seen not as a niche concern but central to systemic change. Legal frameworks shape issues that many funders focus on, from racial justice to housing, disability and gender. Through our grantmaking, we have fostered connections between lawyers and homelessness campaigners, tenants’ unions, advocates supporting children and families facing school exclusion, migrant justice organisers, creating collaborative spaces and demystifying legal strategies so that law becomes a more visible part of social justice movements.

Our resources are modest compared to the scale of the challenge. But if law is to be a progressive force, it must be resourced - with money, imagination, patience and solidarity. Independent funding cannot solve the structural crisis, but it can help create the conditions for collaboration, ambition and deeper movements for justice.

Our new strategy 2025–2030

This year we have delivered the final year of our 2020-2025 strategy alongside developing our new 2025-2030 strategy which launched in July 2025. This next section looks at key lessons and reflections that have driven development of the new strategy.

Law and social justice

We see social justice as the work of building a society where rights are protected and expanded, resources are shared fairly, and communities most affected by injustice can shape the systems that govern their lives. This requires not only urgent responses to harm, but also a sustained commitment to dismantling structural barriers and changing the conditions that create injustice in the first place.

From the beginning of our work as a foundation in 2013, we have been guided by a central question: *why does it matter that people can understand and use the law?* In pursuing our charitable purpose to advance legal education and study of the law, we came to recognise that legal knowledge and training alone is not enough if the law’s potential to be a force for social justice is to be harnessed. In 2020, we expanded our charitable purpose to include promoting the sound development and administration of the law. Today, we call ourselves a social justice foundation and are now one of the UK’s largest, and one of a small number to focus specifically on the power and potential of the law in the pursuit of justice.

This is not simply a funding strategy, but a vision of change.

We have seen how, at its best, the law can help people realise their rights, demand accountability, expose injustice, and build collective power. We have also seen the limits of legal work which is too often under-resourced and under-recognised with public benefit lawyers overwhelmed by urgent casework, and grassroots organisations under-supported in using legal tools that could strengthen their organising or advocacy. We have also listened to communities whose experience of the law is not one of protection, but of harm, where legal systems can entrench poverty, criminalise protest, or exclude people from safety and recognition.

In our new strategy, we are supporting work grounded in community life and integrated with social movements and organising. Work that sees the law not as a stand-alone tool, but as part of a wider system of support and progress. Work that treats people not as clients, but as leaders and agents of change. Work that earns trust, strengthens relationships, and builds long-term power.

Speaking to the social justice sector and reflecting on what we learned from those conversations was central to the development of our 2025–30 strategy. Throughout the process, we consulted people with expertise on the issues we fund. We surveyed all our grant partners and applicants from the past five years. And, for the first time, we established a paid advisory panel of people with lived and learned experience of social injustice to work alongside us for 18 months to inform our strategy.

Our advisory panel members included:

- » Farida Elfallah, Senior Associate Solicitor at JustRight Scotland and Justice First Fellow alumna
- » Fazilet Hadi, Head of Policy at Disability Rights UK
- » Chrisann Jarrett, CEO of We Belong
- » Avila Kilmurray, Migration and Peacebuilding Executive at The Social Change Initiative in Northern Ireland
- » Alexander Lyons, co-founder of Held

We also consolidated our learning from our previous strategies, especially on accountability, improving funder practice and on how organisations are using the law for social justice. These lessons will drive our next phase:

- » Back those driving change and direct our resources as a grant-maker to people and organisations best placed to challenge injustice.
- » Fund with trust and solidarity especially in difficult times.
- » Offer sustained support to help movements and institutions grow power and resilience.
- » Connect law with lived experience, combining legal strategies with activism and deep community knowledge.
- » Confront structural inequality focusing on where law intersects with poverty, racism, migration, gender and other axes of marginalisation.
- » Support the leadership and wellbeing of those working for justice.
- » Share power, embedding community voice and accountability in our practice.
- » Work collectively through collaboration, learning and open exchange.

- » Communicate boldly and clearly to shift narratives and extend impact.
- » Align all our assets, using investments as well as grants to advance our mission.

Updated, vision, mission, values and objectives

Our new strategy launched in July 2025 with an updated vision, mission, values and objectives.

Our vision

A society where people work together for social justice.

Our mission

We use our resources as an independent foundation to strengthen the power of communities to use and shape the law to achieve justice.

Our values

Trust - we trust and value the contribution of those with lived and learned experience, and we work to be trusted by being open and honest, and acting with integrity.

Solidarity - we stand with those taking action to create lasting change. We commit our resources to building relationships over the long-term that centre wellbeing and diverse voices.

Inclusion - we challenge systems and structures, including our own, that create and perpetuate oppression, discrimination and inequality.

Courage - we are not afraid to take risks and challenge injustice.

Reflection - we seek to learn from communities that are affected by the issues we tackle, and reflect and act on this knowledge as well as our own learning.

Strategic objectives

Our new strategy is shaped around the following objectives:

1. To support a generation of creative and collaborative leaders who want to use the law to create lasting change in their communities
2. To help organisations build solidarity within and between communities and support broader movements to tackle injustice
3. To use our power and influence as a funder and investor to help protect and expand rights and justice for us all

Our Board has committed over £50 million to this strategy over a five-year period. This includes a decision to allocate an additional £15 million beyond our standard drawdown, in recognition of the significant challenges and emerging opportunities currently facing the sector.

Next year's annual report will give details of two new grant programmes we are launching to drive this new strategy: the *Emerging Justice Fund*, and the *Strengthening Justice Fund*. We will continue to deliver our *Justice First Fellowship* and to host *Justice Together* and we will expand the wrap around support we offer our grant partners in addition to grants.

Visual identity and branding

As we developed our new strategy, it became clear that our brand also needed to evolve to ensure our communications bring our work to life. This means reaching the right audiences with clarity and confidence, and having an identity that reflects our values, the progress we have made and where we are heading.

This year we have been working with communications agency William Joseph. Their research, which included an audit of our current brand and conversations with staff and external stakeholders, confirmed that while our work and reputation are strong, our language and visual identity do not reflect our approach or our impact. Both internally and externally there was strong support for change.

Alongside the launch of our new strategy in July 2025, we will unveil a refreshed visual identity, a new name, and a new website aligning how we present ourselves with the bold ambitions of our next chapter.

All the details on the new strategy will be available on our website.

Power, Culture and Inclusion

At the heart of all our work is a framework we have developed called Power, Culture and Inclusion. It helps us to recognise the privilege we hold as a foundation, and grounds our commitment to challenging structural inequalities, including those embedded in legal and funding systems.

Power - we want to confront injustice and shift the historic power imbalance between those in positions of influence and those impacted by their choices.

Culture - it is our responsibility to drive equity in our practice and in the wider funding sector.

Inclusion - communities fighting injustice hold the solutions to the challenges they face.

This commitment impacts all areas of our work including our strategy, our grant making, our governance, our people, our policies, our training and our accessibility practice. A dedicated member of staff continues to coordinate this work alongside our Senior Management Team, staff and networks and with other funders. Board and staff engagement in the work continues to be strengthened.

Developments related to our PCI work in the last year are outlined below:

PCI – grants and strategy

Our new grants strategy builds on the proactive racial justice cluster of grants we made in 2024. The Emerging Justice Fund, in particular, has been designed to target and be accessible to organisations led ‘by and for’ the communities they serve and who centre lived experience in their work.

We worked closely with Lloyds Bank Foundation and New Economics Foundation to co-fund, shape and learn from their research *Understanding the distinctiveness of organisations run by and for the communities they serve*. The definitions of ‘by and for’ that came out of the research and recommendations to funders have fed into our new strategy.

We have overhauled our grants application processes and made them more inclusive and accessible to ‘by and for’ led organisations, feeding in learning from Trust for London and their Disability Justice Fund.

LEF and our subsidiary Justice Collaborations have joined the Ten Years’ Time racial justice community of practice. This is a three-year coaching programme to strengthen our accountability to racialised staff, grant partners and communities. Along with learning workshops, executive coaching and an accountability review, we are now developing a roadmap for the next two years covering grantmaking, leadership and governance and investments. This work is led internally by a change team made up of staff from across the organisation including our chief executive, other members of SMT, our PCI lead member of staff, two grants managers and a grants officer.

We continue to work on our approach to diversity and equality data in our grantmaking by carrying out the annual Funders for Race Equality Alliance racial justice audit to analyse our grants, and contributing to the development of the audit. As part of the Ten Years’ Time work, we will carefully consider our approach to grant partner diversity data in our new strategy, without relying solely on numerical data.

PCI – governance

Following a board-commissioned governance review at the end of 2024, we have taken steps to ensure our governance reflects our values and strategy, with a focus on power, accountability and representation. Key priorities included improving board diversity, bringing lived experience into decision-making, strengthening alignment between trustees and the executive, and enabling trustees to connect more deeply with our work. In early 2025, we recruited three new trustees with a strong focus on lived and learned experience of social justice issues, including frontline activism, immigration, progressive grantmaking and policy advocacy. In March, the board also approved the recruitment of three paid external advisors with lived and learned experience to the Grants & Learning Committee. This marks a significant shift in how we share power and embed community insight into our decisions. These changes are aimed at making our governance more inclusive, accountable and better equipped to deliver our strategy.

PCI – people & policies

2025 saw our third annual diversity survey of our staff, trustees and external committee members. This survey covers protected characteristics and lived experience of poverty and social welfare legal issues. For the first time we shared findings with all staff, trustees and external committee members as well as in this report. We want to be transparent about who works at LEF and how different communities

and identities are reflected. However, we need to balance this with the confidentiality of our staff and trustees, recognising that some of this information is personal and sensitive. We have therefore decided not to publish information where fewer than five people selected a particular option.

This means it is not always possible to be specific about the varied identities of people working for us. We recognise that there are issues with grouping different identities together, which can erase identities and experiences. We have only done this where it is necessary to maintain anonymity.

We have included some comparisons to UK population estimates where available and relevant. In future years, we will include comparisons over time.

- » 86% of staff, trustees and advisors responded to the survey (36 responses total: 22 staff and 14 trustees).
- » More than twice as many staff, trustees and advisors are women (69%, 25) compared to men (31%, 11). This is broadly in line with findings for the wider charity sector workforce.
- » The age of respondents is fairly equally spread across most age brackets. However, there is no one in the 18-24 age bracket.
- » Around two in five (42%, 15) staff, trustees and advisors identify as White British. While our workforce is more diverse than the UK as a whole, it does not reflect the higher levels of ethnic diversity in London (where we are based).
- » Around a fifth of staff, trustees and advisors (19%, 7) are disabled or have an impairment, while three quarters (75%, 27) do not. This proportion is lower than UK government estimates for people employed in the charity sector (25%) and the disabled population of working age in the UK (24%).
- » The proportion of staff, trustees and advisors with no religion is higher than the UK as a whole, while the proportion of people who hold a religious belief is lower.
- » The proportion of staff, trustees and advisors who are heterosexual is lower than the UK as a whole.
- » The proportion of staff, trustees and advisors with experience of poverty (28%) is slightly higher than recent estimates for the working age population of the UK.
- » Just under half of staff, trustees and advisors have experience of social welfare legal issues (44%, 16), compared to 56% who do not.
- » Almost two in five staff, trustees and advisors (39%, 14) have direct lived experience of being a carer, compared to over half (56%) who do not.

We will continue to carry out this survey annually and will reflect on how we share the results in future to maintain the right balance between transparency and keeping sensitive information about staff confidential. We also welcome feedback on the approach taken here.

The results from these surveys are reviewed by SMT and the board and inform recruitment priorities and development work on our policies and procedures. We have been overhauling recruitment language and practices with support from specialist consultants on disability and neurodiversity inclusion. Recent recruitment has resulted in increased representation of racialised people and those with lived experience of social justice issues on our staff and board.

We continue to strengthen our progressive and inclusive HR policies. In 2025 we reviewed where we were in meeting our commitments as a Disability Confident Employer, and following that review we have objectives to move from level 1 to level 2 in the next 1-2 years.

Black and racialised staff have access to tailored wellbeing support since 2025, which includes one-to-one support as well as sessions with Ten Years' Time community of practice.

PCI – training

We have an established practice of quarterly all-staff workshops on PCI topics, delivered by professionals mostly with lived experience. In the past year training has included skills to increase our confidence in addressing oppression and discrimination: inclusive recruitment and workplace adjustment; being an Active Bystander; as well as LGBTQIA+ rights and the changing law, and a reflection session on our anti-oppression journey. The team leading our work with Ten Years' Time have had and continue to access and share learning from racial justice workshops including radical honesty, bias and microaggressions in philanthropy and checking our privileges.

A programme for Justice First Fellows and alumni that mirrors staff training is being developed for 2026.

PCI – access

Our new website and grant application portal launched in 2025 was designed to be accessible to disabled and neurodiverse people. Access support payments of up to £500 are available for Deaf, disabled and neurodivergent people to help with applying to our grant programmes.

We have worked on making our support and communication with Justice First Fellows more inclusive and understanding of those who are disabled and neurodiverse. In 2025 we made our meetings and convened events for grant partners, fellows and funders more accessible and inclusive, using surveys and checklists to inform this.

2025 saw ongoing efforts to enhance accessibility of our workplace and work practices, including an improved reasonable adjustments policy and procedure.

Our 2020–25 strategy

This year saw the final year of our 2020-25 strategy. Since 2020, our programmes have been divided into three areas:

- » Stronger Sector, including the Justice First Fellowship
- » Fairer Systems
- » Smarter Justice

Stronger Sector – training and support for a thriving social justice legal sector

This year, our main direct work towards increasing the effectiveness and sustainability of our grant partners and the wider sector has been the development of our 2025-2030 strategy. This has been developed with the needs of the sector at its core and has built on what we have learned from our work to date. This includes a commitment to funding flexibly and to supporting core costs where

possible, responding to what our grant partners and the wider sector have told us that they need in order to be effective and sustainable. We are making our grant processes more light-touch, demonstrating our commitment to Open and Trusting grant-making principles (for example, accepting applications and reports to other funders). In addition, we chose to remain open and make new grants while we developed our 2025-2030 strategy. This is because our grant partners told us about the difficulties and pressures in identifying and sourcing funding caused by a number of independent funders choosing to pause or close as they developed their new strategies.

In August 2024 we worked to address the impact of the racist riots and ongoing far right activity on our grant partners. We made immediate awards of £1,000 through the Emergency Action Fund to 23 LEF and Justice Together grant partners and made additional variations under delegated authority of up to £10,000 for five organisations particularly affected – either to enhance security or to expand their wellbeing support. We are also collaborating with Black Wellbeing Collective to offer 10 free counselling/therapy sessions for racialised staff working for organisations funded by LEF, which has been well-received.

The following organisations were awarded new Stronger Sector grants in our Autumn 2024 grants round.

Organisation	Description	Amount (£)	Term (months)
Access Social Care	Supporting the future sustainability of legal practice in Community Care including influencing policymakers to make positive changes to the way that community care legal aid is funded, as well the wellbeing and professional development to support community care practitioners.	£75,000	12
Article 39	Core funding to support the continued development of Article 39's network of independent advocates, working to tackle systemic breaches of children's rights across English local authorities.	£195,000	36
Civic Power Fund	Contribution to the third round of Funding Justice research on grant making by social justice funders in the UK.	£20,000	12
Civic Power Fund	Contribution to the Emergency Action Fund established in response to the racist, anti-migrant and Islamophobic riots in August 2024.	£43,000	6
Cyfraith Gymunedol Y Gogledd / North Wales Community Law	Supporting North Wales Community Law to establish themselves as an advice provider in the area.	£165,000	36
Disability Law Service	Core funding to support Disability Law Service's advice services and second tier disability training provision.	£185,000	36
Friends, Families and Travellers	Strengthening Gypsy Roma Traveller civil society and allies to use the law, legal tools and strategies to promote social justice for Gypsies Roma and Travellers.	£185,000	36
Institute for Voluntary Action Research (IVAR)	Contribution to the Open and Trusting grantmaking initiative encouraging funders to adopt more open and trusting practices that make life easier for those they fund.	£10,000	36

Table continued

Organisation	Description	Amount (£)	Term (months)
Islamophobia Response Unit	Supporting casework on employment discrimination and developing engagement with strategic litigation.	£155,000	36
Refugee Action	Supporting the Frontline Immigration Advice Project providing training, support, and resources for to organisations working with refugees and asylum seekers and piloting a new support model for lived experience-led organisations.	£355,000	36
Rights of Women	Core funding to support work on reform of the family courts and enhancing access to justice for survivors of violence against women and girls.	£175,000	36
Southwark Law Centre	Building the capacity of grassroots community organisations to support parents whose children are at risk of exclusion, or not receiving appropriate SEND support.	£175,000	36
The Immigration Law Practitioners' Association	Supporting the Strategic Legal Fund and the Strategic Legal Advice Committee	£174,907	36

Our Spring 2025 round was focused on grant extensions, renewals or exits for existing grant partners and was closed to new organisations as we made the transition to our new strategy. Extension proposals were based on routine interim phone calls or visits which reduced administration for grant partners and grant staff.

Organisations awarded extension funding for previous grants included:

Organisation	Amount (£)
Anti Trafficking and Labour Exploitation Unit (ATLEU)	33,000
Central England Law Centre	101,200
Citizens Advice Liverpool	27,500
Council of Somali Organisations	75,625
Family Rights Group	70,000
Greater Manchester Law Centre	13,750
JustRight Scotland	60,500
Migrants At Work LTD	34,100
Norfolk Community Law Service	18,700
Public Interest Law Centre	38,500

Justice First Fellowship

We continue to run the Justice First Fellowship, a scheme we established in 2014 to support the next generation of social justice lawyers. With the support of over 20 other foundations and law firms we have now supported 170 Fellowships over the past ten years, investing around £15m. Fellows are hosted by social justice legal agencies and have all their salary, supervision and other costs covered by a grant spread over two – three years. Alongside, we support fellows to develop the wider skills and networks they will need to go on to be effective social justice lawyers.

Our annual analysis of JFF career destinations reveals that over two thirds of fellows (69%) continue to work as lawyers using the law as a tool for social justice. A further 20% are in wider roles in government and the courts service using law for public benefit.

This year, we awarded £160,500 in extension funding to eight JFF hosts so that they can continue to employ their fellows as newly qualified lawyers. The average third year extension grant was £16,050, with a range from £18,000 to £22,000. The extension funding was in response to hosts telling us that it would help them to create a sustainable career path for fellows.

More widely, fellows are supporting 1000s of people a year through casework and making wider use of the law - all the way to the Supreme Court.

Our alumni network continues to grow. In May 2025, we brought together 70 current fellows and alumni at our annual summer residential. This was an opportunity to learn, connect, rest and reflect. It was a weekend of happy reunions, shared stories, lived and learned wisdom, laughter, late-night conversations and early morning jogs! It was loud and energetic and, above all, it was about the human bonds that are at the heart of social justice.

This year we agreed 14 new grants to organisations who will host cohort 12 of the Fellowship.

- » Cambridge House and Talbot
- » Children's Law Centre
- » Coram Children's Legal Centre
- » Hammersmith & Fulham Law Centre
- » JustRight Scotland
- » Kirklees Citizens Advice and Law Centre
- » Law Centre Northern Ireland
- » Legal Services Agency
- » North Yorkshire Citizens Advice & Law Centre
- » South Wales Law Centre Ltd trading as Speakeasy Law Centre
- » South Yorkshire Refugee Law and Justice
- » Suffolk Law Centre
- » Vauxhall Community Law & Information Centre
- » Work Rights Centre

In addition, Citizens Advice Bradford was carried over from cohort 11 and will also be part of this next intake.

Fairer Systems – transparency, accountability and the protection of rights

Our grant partners have worked towards ensuring that law-making processes are transparent and accountable and protect human rights across a range of different areas. Some key outcomes from this work are summarised below.

Economic rights

- » Work Rights Centre (WoRC) launched a series of training sessions for frontline advisers supporting sponsored workers via a new legal hub. The hubs also run a strategic legal action group to challenge wider systemic exploitation of migrant workers.
- » Research by Z2K into the [economic value of disability benefits](#) revealed a £42bn economic boost from wellbeing improvements created by these benefits, contrasting with the £28bn bill for administering the benefits. Their research was cited in the Guardian.

State accountability and racial justice

- » A joint letter to the Home Secretary from our grant partners Inquest, the Centre for Women's Justice and Liberty highlighted the dangers of weakening police accountability and scrutiny, particularly in cases involving black and racialised people. The letter comes ahead of a review into whether it should be made harder for inquests to find police unlawfully killed someone, which is expected to report back in the coming weeks.

Gender rights and justice

- » Centre for Women's Justice, with other leading women's rights NGOs, co-authored a joint letter to the Chancellor calling for an end to the unjust criminalisation of domestic abuse survivors. The letter was signed by over 100 individuals and organisations.
- » The [latest paper](#) from the Scottish Women's Rights Centre (SWRC) (a partnership between JustRight Scotland, Rape Crisis Scotland and the University of Strathclyde), funded by LEF and based on case studies of women supported by SWRC, calls for full legal aid support in protective order cases. This is part of a call to the Scottish Government to ensure that no victim/survivor of gender-based violence and abuse has to pay for their own protection. SWRC's paper comes as many others across civil society and beyond (including the Law Society of Scotland's [high-profile campaign](#)) highlight the [continuing crisis](#) in the Scottish legal aid system.
- » Policy successes for the Suzy Lamplugh Trust include strengthening protections for survivors of stalking in the Crime and Policing Bill – including a commitment to a multi-agency response on stalking - and the inclusion of independent stalking advocates in the Victims and Prisoners Act. Both are major milestones in recognising the important role of stalking in VAWG.
- » Founder of grant partner the Centre for Military Justice (Emma Norton) represented the family of Jaysley Beck, a 19-year-old soldier who took her own life after her sexual assault by a senior colleague was severely mishandled by the Army.

Constitutional rights

- » An attempt to widen police powers over protests was ruled unlawful by the High Court in May. This case involved three LEF grant partners: Liberty, Public Law Project and Hansard Society. It is an excellent example of how our funding on constitutional and human rights work supported collaboration to challenge the extensive use of executive power and democratic deficit in the legislative process. Former JFF Katy Watts led Liberty's legal case and was named a [2025 Changemaker](#) by Big Issue magazine.
- » The Civil Society Alliance published a report exploring the challenges and tensions arising from the government's post-Brexit regulatory strategies and their impact on the devolved governments of Scotland, Wales and Northern Ireland.
- » The Institute on Welsh Affairs published its final report on the LEF funded work with the Independent Commission on the Constitutional Future of Wales on Fostering Democratic Innovations in Wales.
- » Supporting charities to use the law as a tool for social justice
- » Public Law Project (PLP) launched a guide to support NGOs and charities in bringing third party public interest interventions. This builds on work they have done with partners, including Black Equity Organisation. The launch event was attended by a number of our grant partners, illustrating the value brought by PLP to the sector and partners.

Digital systems and data use

- » The 3million successfully influenced government policy on pre-settled to settled status. After identifying legal risks in the EU Settlement Scheme they worked alongside the Independent Monitoring Authority (IMA) to challenge the policy in court, leading to a High Court ruling. Their sustained advocacy resulted in the Home Office committing to automatic status extensions, protecting 2.2 million people. It was noted by a representative that "winning a legal battle is one thing, but ensuring proper implementation is another." Their work highlights the power of strategic advocacy in securing lasting change.
- » Femicide Census launched their '2,000 women' report with 10 years of data on women killed by men. The data reinforces advocacy efforts to ensure government policy and strategy names and addresses femicide and recognises that all forms of men's fatal violence against women and girls should be included and not restricted to intimate partner or 'domestic homicide'.
- » Automated decision making: An article from the Public Law Project in LAG magazine shares their research into a lack of transparency around automated decision-making.

In terms of our direct work, we have continued to bring our grant partners together around policy and influencing topics, responding to what they've told us they need and find most useful:

- » We commissioned Martha Spurrier to hold hybrid meetings with grant partners before and after the 2024 election to reflect on the opportunities and challenges of working with Labour and the new opposition, as well as providing insights into how to conduct a proactive influencing approach. Martha also contributed to partner events including the Human Rights Conference in Scotland and Just Fair's strategy meeting.
- » We commissioned Bright Blue to hold two online workshops and drop-in sessions with our grants partners in the summer and autumn on working with the Conservative party in opposition, including identifying new policy approaches on human rights.

- » We offered additional funding for our grant partners to hold convenings on specific topics. This was taken up by Just Fair on the opportunity for Economic and Social Rights.
- » We provided influencing and policy training to interested grant partners, including a webinar series with Public Law Project on using legal tools, a webinar with Forster Communications on crisis communications, and a webinar with Hope Not Hate one on the rising threat of the far right. These have been well received, with feedback indicating that the sessions had raised awareness as well as provided practical insights.
- » In November we published Martha's reflections on this work and her core recommendations to funders on how to respond to the challenges and opportunities for the sector to influence the current government and opposition. Since then, we have engaged in a series of funder forums to discuss broader funding in the policy space, including peer-groups and formal groups such as MEX, FREA, Funding Justice Network and Ariadne.

The following organisations were awarded new Fairer Systems grants in our Autumn 2024 grants round.

Organisation	Description	Amount (£)	Term (months)
A B Charitable Trust	A contribution to Harm to Healing – a pooled fund supporting organisations working at the intersection of racial injustice and the criminal legal system.	105,000	12
Birthrights	Core funding for influencing change in UK legislation, policy and practice in order to uphold human rights in relation to pregnancy and childbirth. Using an anti-racist and intersectional approach, working across health, maternity and racial justice groups on human rights issues.	155,000	36
Children's Law Centre	Supporting policy and public affairs in securing children and young people's rights in Northern Ireland.	225,000	36
Consortium of LGBT Voluntary and Community Organisations	Producing a series of legal briefings to support the LGBT+ sector and wider civil society organisations following the Supreme Court ruling on the definition of sex in the Equality Act 2010 and interim Equality and Human Rights Commission (EHRC) guidance.	15,000	12
Detention Action	Supporting Detention Action's advocacy and campaigning work to address systemic injustices in immigration detention and to protect the fundamental rights of those detained.	170,000	36
Disability Rights UK	Supporting capacity building in disabled people's organisations, building a cohesive influencing voice across different intersectional communities within the Disability sector, as well as training and support in campaigning and taking up legal challenges.	225,000	36
Gateshead Carers Association	Supporting scoping work to identify opportunities to use the law to secure and uphold unpaid carers' rights in Gateshead.	55,000	12

Table continued

Organisation	Description	Amount (£)	Term (months)
Independent Workers Union of Great Britain	Strengthening access to justice for vulnerable workers combining casework assistance, empowering workers to undertake their own casework and seeking to raise standards for all precarious workers through strategic litigation.	155,000	36
JUSTICE	Carrying out research and influencing activities to challenge racial discrimination and injustice in the UK justice system.	65,000	24
Social Inclusion Recovery Group CIC	Addressing racial disparities in school exclusions through advocacy efforts, developing preventative programs for schools and supporting parents.	125,000	36
The Bevan Foundation	Ensuring that the Welsh Government upholds and protects human, economic and social rights during a period of considerable political and constitutional change.	155,000	36
The Bureau of Investigative Journalism	Supporting new community-centred investigations aimed at driving positive change in the justice system. Aiming to increase transparency and dismantle the barriers to justice that marginalised communities face.	155,000	36
WCVA	Continuing the work of the Wales Civil Society Forum to strengthen coordination and influence of human rights on devolved and central law and policy making.	155,000	18

The following organisations received grant extensions.

Organisation	Amount (£)
Equally Ours	20,030
Human Rights Consortium Scotland	42,350
Institute of Welsh Affairs (IWA)	33,297
The Centre for Progressive Change	38,625
the3million	21,175

Smarter Justice

Following a review in 2023/24, the board decided to integrate our work on Smarter Justice into our other work strands. No new grants were awarded under Smarter Justice in 2024-25.

Learning

We continue to place a strong emphasis on learning, working actively to share what we are doing and learning with other funders, with the aim of improving funder practice and bringing benefits to the organisations they and we fund.

- » In January, the Association of Charitable Foundations (ACF) published a case study of our Power Culture and Inclusion work around staff training and improving our data for their Stronger Foundations project - a resource to help foundations identify and pursue ambitious practice - under the theme of Diversity, Equity and Inclusion.
- » In June we shared some of what we're learning from our wellbeing funding pilot at a London Funders Festival of Learning event. The pilot involved providing £5,000 uplifts to two cohorts of funded organisations to use flexibly to support wellbeing. This followed a year of light-touch learning activities with our grant partners, including organising workshops for them to discuss wellbeing needs, challenges and solutions. We ran the event with Esmee Fairbairn, who have undertaken a similar pilot with organisations they fund. This event followed on from a funder roundtable we hosted in February to discuss how we are supporting organisations to address wellbeing challenges and promote organisational resilience. Representatives attended from AB Charitable Trust, Barrow Cadbury Trust, Civic Power Fund, Esmee Fairbairn Foundation, Justice Together Initiative, Migration Exchange, and Paul Hamlyn Foundation.
- » In November last year we held a small stakeholder roundtable to discuss the findings of commissioned work on Community and Movement Lawyering. The findings from the research and the roundtable have helped to inform our approach under the new strategy, with particular emphasis given to the characteristics found within movement lawyering.

Wellbeing and safety

We recognise the importance of wellbeing, safety and solidarity, not as peripheral considerations, but as fundamental to how we work, how we fund, and how we stand alongside our grant partners.

We recognise the profoundly difficult environment in which our partners are working. The intensifying hostility directed at those advocating for justice, particularly for migrants, racialised communities, and people living in poverty, has reshaped the landscape. It has become harder to recruit, retain and support staff. Burnout is not a side effect; it is a risk built into the conditions of the work.

We understand that this work carries an emotional and psychological cost. Since 2019, we have provided training to Justice First Fellows on self-care and dealing with vicarious trauma. This work is delivered by Claiming Space - an organisation founded by lawyers to create space for healing and reflection for those working with traumatised clients and within traumatic systems.

Since 2024, all our grants now include an additional £5,000 provided automatically with no conditions other than to support wellbeing. Recognising the specific and additional pressures faced by staff from minoritised communities, we are supporting the Black Wellbeing Collective to deliver a programme of therapeutic support tailored specifically for racialised staff within our partner organisations.

Grant partners have told us that a key benefit of our wellbeing pilot funding is demonstrating that we recognise the difficult environment grant partner staff are working in and the impact this has on their wellbeing. Grant partners told us how they feel they have permission to focus on improving wellbeing, which is something which can often be overlooked in organisations where frontline need is high.

And as noted above, in response to the racist riots and targeted violence in summer 2024, we offered solidarity and practical support including funding to provide collective care workshops, counselling to affected staff and improved security measures to buildings.

The possibility that our partners, and the foundation, are the target of hate-driven activity now appears on our organisational risk register. We cannot address that risk simply by rewriting policies or increasing budgets. We must respond by affirming a structural and systemic commitment to accountability and to collective care. That means listening closely to what our partners need to feel safe and supported. It means offering resources and flexibility, without bureaucracy or conditionality.

Organisational developments

This year, Rebecca Gray stood down as a trustee. We are grateful to her for the valuable contributions she made. Chrisann Jarret, Fiona Mactaggart, Sajjad Sabur and Maxine Thomas-Asante all joined the board this year and are very welcome.

We have benefited from the support of consultants Lena Baumgartner, Tatiana Garavito, Matt Howgate, Prajati Kotak, Shauneen Lambe, John Mulligan and Martha Spurrier who work with us bringing specific areas of expertise and networks. We are very grateful to them for their work with us, our grant partners and Justice First Fellows.

We have continued to invest in our organisational structures and systems to ensure the foundation operates efficiently and effectively and supports our commitment to relational grant-making. This year saw continued focus on our digital and IT systems with work across cyber security, our internal administrative systems and IT infrastructure. We have continued updating our HR policies and pay and benefits structure to ensure we are an excellent employer with an open and inclusive culture.

Our risk register is used actively by our senior management team and board to monitor risk and monitor the impact of mitigating actions. We have strong financial systems and procedures that underpin sound management of our finances, investments and the College of Law Pension and Assurance Scheme (COLPAS). COLPAS is now chaired by a professional trustee.

Investing for Social Justice

In December 2023 the foundation initiated our *Investing for Social Justice (ISJ)* programme. This committed us to aligning investments with our mission and values, ensuring that trustees uphold their fiduciary duty to act in the best interests of the charity and in service of our public benefit aims.

Our Investment Committee oversees this work and reports on it to the board.

The approach we have developed focuses on the Social in Environmental, Social and Governance frameworks (ESG) as we seek to connect our priorities with what we fund as a grant maker. IS involves directing our manager to assess investee companies and to engage and escalate actions where practice is judged to be poor. We support wider regulatory and policy reform relating to our influencing priorities, and we work in collaboration with other investors to strengthen our influence.

The recent global context, especially developments in the US, where we hold significant investments, is posing serious challenges to values-based investors. A surge in anti-ESG and anti-DEI sentiment, legislative activity, and corporate backlash, including lawsuits against shareholder activists, has created a hostile environment for responsible investment. At the same time, deteriorating corporate behaviour, such as rollback of DEI commitments, underscores growing misalignment between corporate practice and our strategic goals.

In Europe and the UK, we are also seeing significant regulatory shifts. The EU's move to scale back key sustainability directives, and the Financial Conduct Authority's decision to pause its Sustainability Disclosure Requirements for wealth and portfolio managers, reflect a broader trend of regulatory softening in response to political and economic pressures. These changes affect both our ability to assess ESG risks and the effectiveness of traditional engagement strategies.

This evolving landscape heightens the importance of examining our approach to stewardship and governance. The ISJ programme continues to monitor these developments closely and is considering how best to respond, including evaluating the adequacy of current models of engaging companies and identifying opportunities for more assertive alignment with our strategy.

Our work is divided into two strands

- i. Company engagement – raising social standards in investee companies
- ii. Regulation and policy – supporting work to bring about a regulatory and policy environment that drives higher standards and performance on social indicators in the private sector.

Our work to support company engagement aims to improve social standards and corporate accountability across our investment portfolio, focusing on workforce practices such as fair pay, union recognition, and treatment of marginalised groups.

We have continued to build our role within the Good Work Coalition (GWC), a group of 45 institutional investors with over \$7 trillion of assets under management, engaging companies on workforce issues. This year, we participated in shareholder actions on ethnicity pay gap reporting and Living Wage compliance, focusing on UK retailers. While these engagements offer important learning opportunities, progress from target companies has been limited, underlining the need for stronger policy and regulatory levers.

In response, GWC is broadening its approach to include direct advocacy with government. We have supported and contributed to this shift, helping to align investor influence with the knowledge and networks we have through our grantmaking. We co-signed a coalition letter to the Deputy Prime Minister on the Employment Rights Bill and shared policy intelligence with GWC and ShareAction, including insights from our partners and own engagement with government on the Equality (Race and Disability) Bill.

We have also brokered contact between GWC and our worker rights grant partners, including those campaigning on sick pay. While early-stage, this work shows the value of connecting our investment activity with our broader social justice networks and we are keen to look at this further in the future.

In line with our escalation policy, we have reviewed engagement with companies who are consistently poorly rated on social indicators. Meta, in particular, has shown ongoing disregard for responsible corporate conduct, including abandoning DEI and fact-checking commitments, poor treatment of content moderators, and policy changes around military AI use. After reviewing its record and the

lack of success in attempts to engage the company through investor coalitions, we have divested from Meta, marking our first such action under this policy. We continue to monitor other companies in our portfolio, including by using grant partner intelligence where this reveals troubling practice and are sharing this with our asset managers.

We have joined the Find It, Fix It, Prevent It Coalition tackling modern slavery led by CCLA. This is an investor-led, multi-stakeholder project designed to harness the power of the investment community to increase the effectiveness of corporate actions against modern slavery. We have relevant and related grants e.g. to the Anti-Trafficking and Labour Exploitation Unit, and within Justice Together.

Shareholder resolutions and proxy voting

This year, we have again instructed our managers to support a range of shareholder resolutions on the ethical use of AI, child safeguarding and worker rights. We also engaged with leading proxy voting advisors whose recommendations influence global investor voting behaviour. In August, we responded to their benchmark policy consultations, advocating for stronger attention to social issues including AI ethics, cyber security, worker safety, labour rights and fair pay. While social issues were not widely prioritised by other respondents, our participation helped elevate their importance in future proxy voting guidance.

Sarasin & Partners

Our asset manager, Sarasin & Partners, plays a pivotal role in supporting us to align our investments with our mission. This year, we have continued to take an active role in scrutinising and influencing Sarasin's policies and practices, particularly on social issues.

We have discussed with Sarasin the ESG ratings of certain companies in our portfolio and supplied information to this process. Understanding the robustness and transparency of their assessment process is key. This highlights the importance of critical oversight and the limitations of company-by-company engagement in addressing systemic harms.

We have also raised questions over Sarasin's voting policies on board diversity aimed at strengthening equity and inclusion commitments. Alongside peer foundations, we have pushed for bolder targets, intersectional definitions of diversity, and stronger escalation mechanisms when companies fail to meet expectations.

We welcomed Sarasin's engagement with investor-led coalitions on issues including ethical use of AI and worker rights. We also value their openness to dialogue and transparency, including detailed responses to our questions and ongoing engagement with our team.

Research this year by the Charities Responsible Investment Network (CRIN) shows Sarasin stands out for voting against management on social issues but, even so, no such shareholder resolution has yet passed. This underlines the need for stronger coalitions, more ambitious policies, and more inclusive engagement with affected stakeholders, including trade unions and grassroots partners.

Looking ahead, we see continued engagement with Sarasin as essential to realising our goals and we aim to deepen this partnership while pressing for more consistent and transformative action.

LEF Investment Policy

We updated our investment policy to reflect our commitment to using our investment assets to drive positive social change.

Justice Collaborations

The foundation's subsidiary charity, Justice Collaborations (charity number: 1187441), provides a vehicle for hosting joint programmes with other foundations. The first Justice Collaborations programme is the Justice Together Initiative.

Justice Together is a ten-year collaborative programme that was launched in 2020 with the vision that people who use the immigration system can access justice fairly and equally without being harmed. Its mission is to bring together people and organisations to transform the immigration system. Through grant-making and collaboration, it connects lived experience, front-line immigration advice and influencing strategies to create lasting change. Since Justice Together launched in 2020, a series of very restrictive immigration laws, the Covid pandemic, a financial crisis and the war in Ukraine have further deepened the challenges faced by organisations in the migration sector, and those trying to access justice.

Justice Together funding was initially distributed through open grant rounds, phased across regions and devolved nations. This year the funding has primarily focussed on renewing existing grant partners, as the funding is intended as long term. As well as grant funding, Justice Together runs a community of impact, made up of grant partners and the wider migration sector, with a focus on connecting and sharing learning.

In total Justice Together funds 41 main grants with 81 partner organisations. Decisions on grants and support with developing the strategy are made by the grants committee, which is predominantly made up of people with learned and lived experience of the immigration system.

This year Justice Together refreshed its strategy and has made significant progress towards its three goals.

Goal 1: A more sustainable, collaborative and coordinated immigration advice sector

This year Justice Together continued to fund immigration legal advice across partnerships and within grassroots, migrant-led organisations who are well connected to the communities they are set up to support. The majority of advice grants are to multiple organisations working in partnership. This continues to be reported as overwhelmingly positive, with organisations appreciating the opportunity to share learning and work together. In total 19 grants to a total of £4,298,762 were renewed this year. They have part funded 72 legal advice posts; 43 of these advisors and lawyers have lived experience of the immigration system.

In 2024, 18,516 people were advised by Justice Together's grant partners, receiving specialist immigration advice.

Over two years through an infrastructure support programme, £305,000 was granted to 21 organisations for one-off grants up to £20k to strengthen organisations' infrastructure with a focus on grassroots, migrant led organisations.

There has been an increase in grant partners securing funding from local authorities and getting legal aid contracts. Justice Together funded 10 grant partners to receive up to 6.5 days of fundraising support to assist with sustainability. We have also invested in learning for local authorities in how to fund immigration advice. A consultant for Justice Together organised a series of four webinars to provide an insight into several models that local authorities have used to resource immigration legal advice on a national level, with 353 people attending.

The Justice Together Grant Partner Community Manager has developed and expanded our learning and exchange work, running 18 events for 641 people on a range of topics, from low-cost models for legal advice to wellbeing and racial justice, as well as funding a specialist wellbeing programme for racialised people working in the migration sector.

Goal 2: An immigration sector which is better able to advocate for fairness and justice in the immigration system and where people directly affected set the agenda for change

Justice Together is funding 21 influencing positions, 20 of which have been taken up by people who have lived experience of the immigration system. We have seen a significant increase in advice organisations being more involved in systemic change work, through evidence gathering, advocating with their local MPs and joining with national movements.

Justice Together has also seen the benefits of building influencing capacity more broadly within the sector so it is ready to respond to the inevitable changes that come, without being too prescriptive about the work in advance. A good example of this was the funding towards Public Law Project (PLP) and partners co-ordination to stop Rwanda removals.

Justice Together commissioned Jo Wilding to update her research looking at the demand and provision of immigration advice across the UK (*'No Access to Justice 2': Mapping the UK's continuing immigration and asylum legal advice crisis*). This was launched in Westminster and online and has so far been well used by organisations to evidence the need for advice.

Goal 3: Organisations in the immigration sector are actively contributing to racial justice

Justice Together has been refining our plans in relation to racial justice, based on consultation with grant partners, our anti-racist advisory group who met twice, and learning from our learning partner. We have now developed a racial justice action plan and have clear activities in the refreshed strategic plan towards this goal. We launched a racial justice programme which aims to improve the migration sector's understanding of how immigration policies intersect with racism and to empower them with the tools to implement anti-racist practices within their organisations.

Financial review

Results for the Period

The Financial Statements for the period are set out on pages 47 to 78. These show that the Group had a total expenditure of £20 million for the year (£16.2 million in 2024), with net expenditure before investment gains of £13.7 million (£5.9 million in 2024).

The equivalent figures for the foundation on a standalone basis are a total expenditure of £16.2 million for the year (£12.3 million in 2024), with net expenditure before investment gains of £10.4 million (£5.0 million in 2024). All of the foundation Group's assets are held for the purpose of meeting the foundation and its subsidiary's charitable objects.

During the period, the foundation's funded defined contributory Pension scheme entered into a buy-in policy with Royal London covering the liabilities of all previously unsecured members within the Scheme. The foundation provided an estimate £5 million to facilitate the transaction, of which £2.53 million was paid by year-end.

There were no other significant financial events during the year that impacted the foundation's strategy for meeting its objectives. The investment asset allocation of the Capital Fund is based on being able to deliver a real return of 3.5% per annum over a period of seven or more years.

Over the full twelve months to 30 June 2025, the foundation's investment portfolio generated a return of +1.1% (2024: +11.9%). During the period, the portfolio's equity allocation produced negative returns, although this was partially offset by strength from the alternatives and property holdings, particularly gold.

More information is contained in the Investment Management and Performance section of this report.

Principal funding sources

The principal source of funds for the foundation is the return on the Capital Fund. In addition, the foundation has been awarded restricted grants from other organisations to the value of £150k (£617k in 2024) in the year.

The principal source of funds of the foundation's subsidiary is restricted grants from other charitable foundations and organisations (2025: £1.6 million; 2024: £4.3 million).

Cash flow and cash levels

The foundation's investment strategy is constructed on a total return basis. The foundation is entirely funded from its investments and grants from other organisations.

In the financial year to 30 June 2025 the agreed divestment from the Capital Fund for grant and operational expenditure was £9.5 million (£9.5 million in 2024).

Cash balances in the foundation as at 30 June 2025 were £4.7 million (£4.8 million in 2024). In 2025, £2.6 million (£3.6 million in 2024) of this sum was earmarked for future grant commitments.

A further part of the foundation’s working capital is held in a liquidity portfolio managed by Sarasins and Partners. The value of these bonds is included in Current Asset Investments (note 9) at a market value of £2.4 million as at 30 June 2025 (£5.3 million in 2024).

In addition, cash balances in the subsidiary as at 30 June 2025 were £3.8 million (£3.4 million in 2024).

The Trustees have noted that liquidity levels are projected to remain adequate for all operational and currently planned grant expenditure purposes.

Treasury management

Treasury activities are undertaken under defined procedures, which are approved by the Finance, Audit and Risk Committee, with advice from the Investment Committee when required. The foundation aims to maximise its return on any liquid funds mostly through short term corporate bonds, referred to above and higher interest bearing accounts with it’s principal banker. The liquid funds are managed by Sarasins & Partners. Moving forward, the foundation will divest funds to the approved budget from the main portfolio as needed for grant and operating expenditure in the immediate 3 to 6 months, leaving funds in the Capital Fund to optimize investment income.

Pensions

Although the foundation sold the legal education and training operation of The College of Law on 30 November 2012 it has retained employer responsibility for the College of Law Pension and Assurance Scheme (COLPAS) which is a defined benefit scheme. It was closed to new entrants in 2019 and closed for future accrual of service by active members as from 31 August 2021.

The last full Triennial Actuarial Valuation of COLPAS as at 1 July 2021 showed a surplus, on the Statutory Funding Basis, of £23.2 million. During the period, COLPAS entered into a buy-in policy whereby a Bulk Purchase Annuity Policy was entered into with Royal London. An initial premium of £83.3 million was paid by the Scheme. The policy covered the liabilities of all previously unsecured members within the Scheme. This is a first stage of a 2-3 year process to the ultimate buy-out and wind up of the Scheme. The foundation has committed to pay additional contributions of c£5 million to facilitate the transaction, of which £2.53 million was paid in the year and recognized as other expenditure.

The Scheme Actuary has extrapolated figures from the last full Actuarial Valuation, together with actual data where known, to provide the figures set out below:

Basis	30 June 2025		30 June 2024	
	Funding	Surplus/(Deficit)	Funding	Surplus/(Deficit)
	%	£million	%	£million
Statutory Funding	101	1.4	104	9.0
FRS102 Valuation	101	1.4	105	6.7

Reserves policy

It is the Trustee's policy to maintain the Fixed Asset Investments, otherwise known as the Capital Fund, at £200 million in real terms based on 30 November 2012 and for the Fund to provide a sustainable amount for grant and other expenditure purposes each year over the long term. At 30 June 2025 the value of the Capital Fund was £280.5 million (2024: £289.0 million) compared to a target maintained real value of £311.1 million (2024: £300.8 million).

The general funds, after deducting the pensions liability, are the free reserves of the foundation. The balance on restricted funds at 30 June 2025 was £0.7 million (£4.8 million in 2024).

	Group £000's	Foundation £000's
Total Funds	277,455	275,111
Less: Restricted Funds	(737)	(63)
General Funds	276,718	275,048
Less: Amount held for Pension Liability	(1,528)	(1,528)
Free Reserves	275,190	273,520

Investment management and performance

Investment policy

The foundation's investment policy is intended to provide long term stability and liquidity sufficient to maintain the real value of the Capital Fund after transferring funds for grant and other expenditure each year.

The foundation's Investment Policy Statement sets out the parameters within which the Investment Committee and Investment Advisers must operate to do this.

The Trustees have approved a grant and operational expenditure budget of £15 million for the foundation for the period to 30 June 2025. This sum of £11.5 million is estimated to be taken from the Capital Fund during the year.

Investment policy statement

The Investment Policy Statement covers the following main areas:

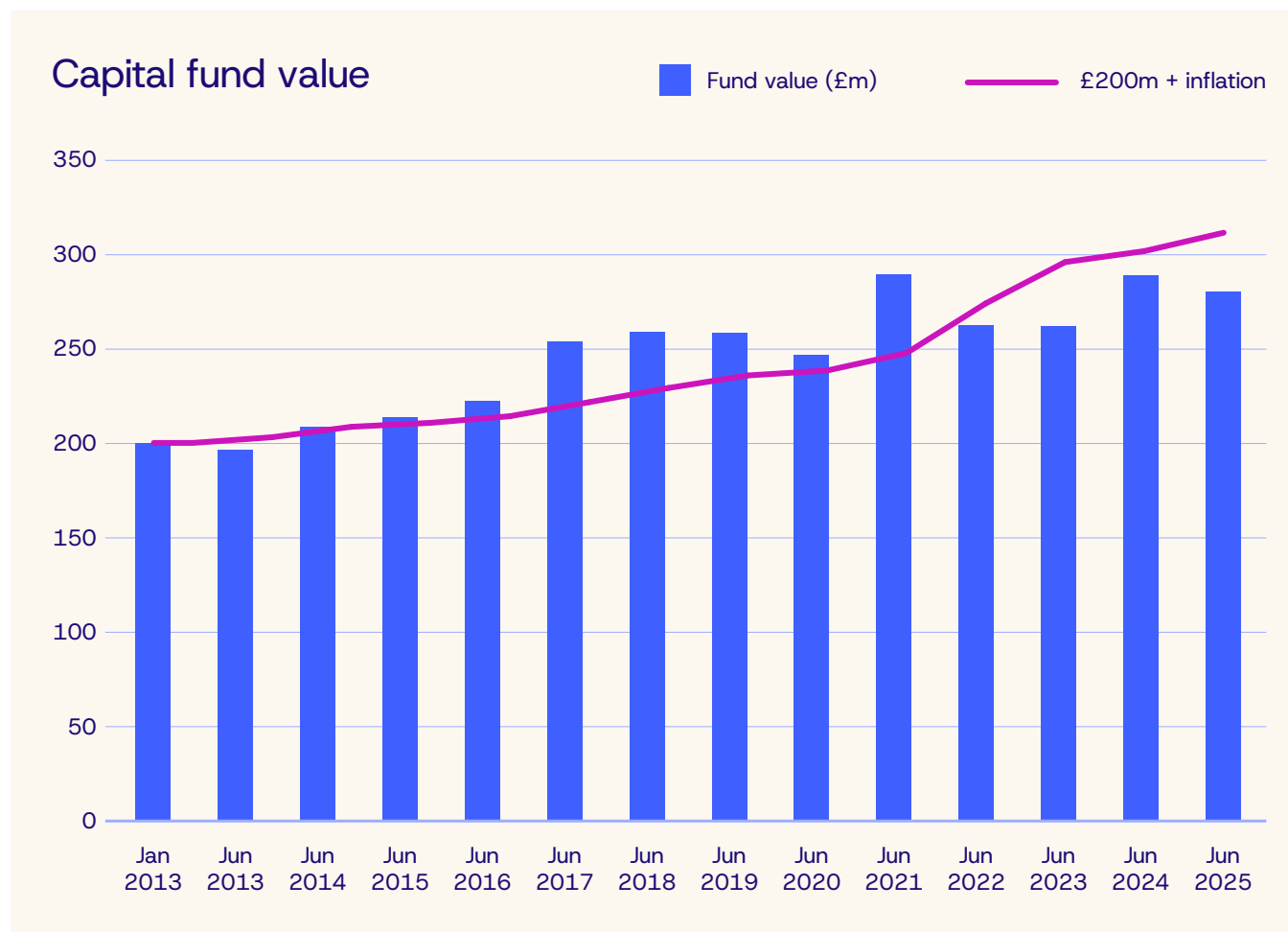
- » The intention over the medium term to maintain the real value of the Capital Fund.
- » The aim to provide over the long-term an annual sum equal to 3.5% of the Capital Fund for grant and operational expenditure.
- » The foundation's attitude to risk.
- » The foundation's commitment to responsible investment.
- » The strategic asset allocation.
- » Liquidity requirements.
- » The Investment portfolio is to be managed on a total return basis.

Investment Performance

Over the full twelve months to 30 June 2025, the foundation's investment portfolio generated a return of +1.1% (2024: +11.9%). After a challenging start to the year, market stability saw a degree of calm and enabled markets to recover. While equity markets showed limited regional divergence despite US-driven volatility, the sharp fall in the US dollar, down -8.6% in H1 2025, has significantly impacted returns for unhedged overseas assets. Fortunately an element of currency hedging has mitigated this to some degree. There was further offset by strength from the alternatives and property holdings, particularly gold.

Looking ahead, market direction is likely to be shaped by the interaction between inflation, interest rates, and geopolitics.

The graph below shows the actual value of the capital fund compared to the amount that would be required to maintain its real value. It should be noted that the capital fund's value at 30 June 2025 has fallen as distributions exceed returns generated. The period since its creation is 12 years and it is likely that there will continue to be volatility in future years.



The table below shows the performance of the investment portfolio against the long-term target.

Performance Over (annualised)	Portfolio Return 2025 %	Portfolio Return 2024 %	Inflation* 2025 %	Inflation* 2024 %	Over/ (Under) 2025 %	Over/ (Under) 2024 %
1 Year	1.2	11.9	3.6	2.0	-2.4	9.9
3 Years	5.7	3.5	4.5	6.7	1.2	-3.3
Since Inception 2013	6.6	7.1	3.6	3.6	3.1	3.5

* RPI used until 31.12.21 then changed to CPI

Asset allocation

The following table sets out the position of the portfolio as at 30 June 2025, together with a comparison to the benchmark and the ranges within which we allow Sarasin & Partners to operate:

Asset Classes	30.06.25	Strategic Benchmark	Tactical Tilt	Operating parameters (low to high)
Cash	3.3	0	3.3	0 to 10
Fixed Income	7.3	10	-2.7	0 to 20
Global Equities	75.7	75	0.7	60 to 90
Property	3.6	5	-1.4	0 to 10
Alternatives	10.0	10	0	0 to 20
Total	100	100		

The alternatives assets are invested in reasonably liquid specialist investment vehicles, which result in exposure to, amongst other things: commodities, private equity, private debt, debt & equity-oriented infrastructure, renewable energy and hedge funds.

Environmental, social and governance factors in investments

The foundation has confirmed its commitment to the environmental, social and governance (ESG) agenda in its investment policy. This year, the board has instigated a new programme of work to align our investment strategy more closely.

One of the foundation's reasons for appointing Sarasin & Partners was their leadership in a range of ESG initiatives and the transparency of their reporting on their activities. We are now engaging with them more closely to better understand their approach to company selection, reporting of stewardship and application of ESG criteria and monitoring of sin industries.

For more information see page 24 and the description of our work on Investing for Social Justice.

An analysis of the Capital Fund holdings is provided at note 7 on page 62.

Mjellinek Tudenham Gelhorne prize fund

The Legal Education Foundation has responsibility for a Charitable Trust-based student prize fund. The fund was established through the merger of three funds which were created a number of years earlier when its name was The College of Law and it had an education and training operation. The Trustees of the foundation are the Trustees of the fund.

The purposes of the fund, as updated in 2015, are:

“To provide from the income of the investments, a Prize to be awarded annually or upon such other occasions as the Board granted to a student of law at Guildford (or such other location proved for this purpose by the Board) nominated by the University of Law (or its successor as an operator of its education business if

approved for this purpose by the Board, failing which the prize may henceforth been awarded by the Board to any student of law)."

The University of Law are informed of the funds available for a prize each year. They provide the foundation with the prize winner's details in order that the payment can be made directly to the winner.

The Fund is invested in a segregated CCLA account – COIF Charities Investment Fund.

At 30 June 2024, the value of the fund is £35,412.66.

Statement of Trustees' Responsibilities

The Trustees are responsible for overseeing the preparation of the Annual Report and Accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales 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 foundation and of its incoming resources and application of resources for that period. In preparing these financial statements the Trustees are required to:

- » Select suitable accounting policies and then apply these consistently.
- » Observe the methods and principles in the Charities Statements of Recommended Practice (SORP).
- » Make judgements and estimates that are reasonable and prudent.
- » State whether applicable 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 foundation will continue in existence.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the foundation and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the foundation's by-laws. They are also responsible for safeguarding the assets of the foundation and consequently for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that:

- » So far as they are aware there is no relevant audit information of which the foundation's auditor is unaware
- » They have taken all steps that they believe they ought to have taken as Trustees and Trustees in order to make themselves aware of any relevant audit information and to establish that the foundation's auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

Risk management

Overall

The Trustees are responsible for identifying, managing and monitoring the risks facing the organisation and for mitigating these risks so as to arrive at an acceptable risk appetite.

A Risk Register is maintained that lists and ranks all identified risks via a traffic light system. The register shows gross and net risk for each identified item of risk, mitigations which are already in place and identifies any further action required and who is responsible for that action.

The Trustees review the risk register at every meeting and the foundation's Senior Management Team uses the Risk Register as a key tool, regularly reviewing risks and the implementation of mitigating actions.

Principal residual risks

The Trustees consider the following to be the principal residual risks and ensure that appropriate mitigations are in place and are monitored.

Operational

Inadequate cyber security protections in place lead to data corruption/loss, introduction of malware/ransomware, and data protection breach.

Operational/External

Hate driven activity leads to physical threat or social/mainstream media content targeting Trustees, staff and/or grant partners.

External

Significant changes occur in the constitutional, legislative and/or regulatory environment in which the foundation operates that restricts our ability to deliver our strategic objectives.

Financial

Long term decline in value of investment portfolio leads to less available for operational expenditure; or increase in expenditure leads to less available for operational expenditure in the future.

Governance

Trustees

The ultimate control of the foundation is vested in the Trustees. Day-to-day control of the foundation is exercised by a management team led by the Chief Executive who is appointed by the Trustees. The Trustees normally meet four times during the year, with additional meetings taking place if necessary. The Trustees devote each meeting to considering strategic issues in addition to receiving update reports from the Chairs of each committee and a progress report from the Chief Executive.

The foundation's financial regulations specify authorisation limits for budget holders, with material transactions being approved by the Trustees or committees. In addition, formal treasury policies are in place.

The Trustees now have four committees to oversee, monitor and approve actions on the major areas of the foundation's activities and responsibilities. The terms of reference of each committee are reviewed on a regular basis to ensure that they remain appropriate to the foundation's needs.

The Trustees take steps to ensure that they work as an effective team, using the appropriate balance of skills, experience, backgrounds and knowledge to make informed decisions. They can access independent professional advice, such as legal or financial advice, at the foundation's expense if needed.

The Trustees and those who served as such at any time during the financial year, together with details of their committee memberships are shown on page 40. Further details on each Trustees can be found on our [website](#).

Recruitment of Trustees

A skills audit of the Board of Trustees is undertaken on a periodic basis to identify the skills needed in order for the foundation to be able to consider, monitor and approve its Strategic Plan. Recruitment and re-appointment of Trustees is based on this need.

When considering the recruitment of Trustees, a Committee of Trustees decide the most appropriate recruitment method to use. Normally this is by recruitment consultants advertising the role and inviting applications. The Committee then considers a long list of candidates and selects a shortlist of applicants for interview before making a recommendation to the full Board. Since December 2023 an ad hoc committee chaired by the Chair of the foundation performs this role.

The foundation aims to recruit Trustees with diverse backgrounds and skills.

Induction and training of Trustees

New Trustees are provided with an induction programme during which they have the opportunity to meet with the key management personnel and the Secretary. They are also made aware of:

- » the responsibility of Trustees
- » the foundation's Constitution
- » the latest financial statements
- » the committees and decision-making processes
- » the plan for meeting the foundation's Object
- » the foundation's risk register
- » the foundation's charity governance checklist.

Training requirements are identified as part of the skills audit review.

Charity Governance Code

The foundation is committed to best practice in governance. The Audit Committee undertook a review of compliance with the Charity Governance Code in July 2021. The results of the review confirmed that the foundation and its subsidiary continued to comply with the Charity Governance Code.

The foundation continually reviews ways to further improve its governance and focusses on the areas of the code where this can best occur.

The Justice Together Initiative, run by Justice Collaborations, has been developed with a commitment to equity and human rights, inclusion and anti-racism at its core. It has a dedicated Anti-Racism Working Group and has worked with an expert consultant to develop its anti-oppression aims.

Conflicts of interest

The foundation's conflicts of interest policy requires Trustees, executives and advisers to declare any interest which could give rise to conflict of interest. They are required to exempt themselves from all relevant decisions which may involve a transaction with a related party or in which they may have a conflict of interest although they can take part in general discussion on the area concerned at Trustee meetings. At Grants and Learning Committee meetings, members of the Committee are required to recuse themselves from both discussion and decision when an item on which they are conflicted is being discussed.

Fundraising

The foundation has not entered into contracts with central or local government to deliver services nor has it received grants from central or local government. All restricted funds have been received from other charitable organisations or law firms. It does not raise funds from the public and therefore has not subscribed to any fundraising standards or scheme for fundraising regulation.

The foundation is aware of the regulations and has nothing further to disclose under the provisions of section 13 of the Charities (Protection and Social Investment) Act 2016.

Committees

Investment Committee

The Investment Committee normally meets four times a year. In addition to the Trustee Members there is one professionally qualified external member.

Its terms of reference include overseeing the implementation of the Investment Strategy Policy and monitoring investment performance and recommending the amount to be made available to the foundation for grant and operational expenditure each year.

Finance, Audit and Risk Committee

The Finance, Audit and Risk Committee usually meet four times a year.

The Chair has a finance background. The auditors, who regularly attend the meetings, also have a separate meeting with the committee once a year without any foundation staff present. The foundation's Chair is a de facto member of the committee.

The terms of reference of the committee include:

- » a critical review of the annual report and financial statements prior to submission to the Trustees for approval;
- » monitoring the effectiveness of the internal control systems and reviewing risk management policies, systems and the Risk Register;
- » considering the appointment, resignation or dismissal of the external auditors;
- » reviewing and approving budgets, forecast and other financial projections;
- » pension matters;
- » property matters;
- » reserves policy; and
- » such other matters as are referred to it by the Trustees.

The committee makes a written report on its compliance with its terms of reference and on internal controls and the risk register to the Trustees on an annual basis.

Approval of remuneration and benefits for staff is the responsibility of the Finance, Audit and Risk Committee.

The committee has responsibility for overseeing matters and approvals relating to the College of Law Pension and Assurance Scheme.

Grants and Learning Committee

The Grants and Learning Committee normally meets at least twice a year. It also takes decisions on individual grants by email between meetings and it receives regular updates throughout the year.

The committee oversees the implementation of the policy and criteria agreed by the Trustees for the award of grants, considers each application for grants of over £40k, and makes recommendations to the full board for any awards of over £350k. The committee has delegated authority to the executive to award individual grants of up to £40k with a maximum total amount of all such grants in any one year of £300k. A report on each of these grants is made to the committee and each grant is reported to the trustees at their next meeting.

The committee is also responsible for monitoring progress against the foundation's learning strategy and reporting on these to the trustees.

The committee receives a report at each meeting providing an analysis of data on grant applications, awards and progress along with key updates on the context for each programme. A separate report is made to each meeting regarding any grant partner at risk.

Staff remuneration

Remuneration of senior management has previously been decided following detailed advice from recruitment and remuneration consultants and is benchmarked on a periodic basis. Annual cost of living increases are approved by the Finance, Audit and Risk Committee.

Trustees and senior personnel

The Trustees and those who served as such at any time during the financial year, together with details of their committee memberships as at 30 June 2025, are shown in the following table.

Committee membership

Trustees	Grants and Learning	Investment	Finance, Audit and Risk	First Appointed	Current Appointment Completed
Barbora Bukovská	Y			14.12.2023	AGM 2026
Tamsin Evans		Y	Y	24.01.2023	AGM 2026
Chrisann Jarrett				27.03.2025	Autumn 2028
Vivek Luthra		Chair	Y	26.02.2020	AGM 2025
Fiona Mactaggart				27.03.2025	Autumn 2028
Alison Pickup (Vice Chair)	Y			04.07.2018	Autumn 2027
Sajjad Sabur			Chair	24.10.2024	Autumn 2027
Paddy Sloan (Chair)	Chair			26.10.2020	AGM 2026
Maxine Thomas-Asante				27.03.2025	Autumn 2028
James Wolfe				30.11.2022	AGM 2025

In addition: Kirsty Garrison was a professional accountant external member of the Finance, Audit and Risk Committee until November 2024. David Haysey is a professional investment external member of the Investment Committee. Cullagh Warnock was an external member of the Grants and Learning Committee until December 2024.

Key Management personnel

For the purposes of compliance with the Charities SORP, Key Management personnel are identified as the Trustees, Matthew Smerdon (Chief Executive) and the Senior Management Team, comprising of the Director of Grants and Learning, Director of Operations, Director of Strategy and General Counsel and Director of Justice Together Initiative (appointed to SMT November 2024).

A full list of all current staff members can be found on the foundation's website.

Acknowledgements

The Trustees would like to thank the foundation's staff and external advisors for their great commitment to the foundation's vision, mission and values.

Approved by the Board of Trustees on 20 November 2025.

Paddy Sloan
Paddy Sloan (Dec 10, 2025 12:01:05 GMT)

Paddy Sloan (she/her)
Chair of Trustees

Saj Sabur
Saj Sabur (Dec 10, 2025 12:15:19 GMT)

Sajjad Sabur
Trustee and Chair of Finance, Audit and Risk Committee

Independent Auditor's Report

To the Trustees of The Legal Education
Foundation

Independent Auditor's Report to the Trustees of The Legal Education Foundation

Opinion

We have audited the financial statements of The Legal Education Foundation (the 'parent charity') and its subsidiary (the 'group') for the year ended 30 June 2025 which comprise the Consolidated Statement of Financial Activities, the Statement of Financial Activities of the Individual parent charity, the Group and parent charity Balance Sheets, the Consolidated Statement of Cashflows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- » give a true and fair view of the state of the group's and charity's affairs as at 30 June 2025 and of their incoming resources and application of resources for the year then ended;
- » have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- » have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditors under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or

parent charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- » the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- » sufficient accounting records have not been kept by the parent charity; or
- » the parent charity financial statements are not in agreement with the accounting records and returns; or
- » we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 35, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- » obtained an understanding of the nature of the sector, including the legal and regulatory framework, that the group and parent charity operates in and how the group and parent charity is complying with the legal and regulatory framework;
- » inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- » discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Charities Act 2011, the parent charity's governing document, the Royal Charter and the Foundations By-Laws. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

There were no significant laws and regulations that were considered to have an indirect impact on the financial statements.

The audit engagement team identified the risk of management override of controls and recognition of donation income as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates and reviewing recognition of donation income in line with the SORP criteria.

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

RSM UK Audit LLP (Dec 16, 2025 14:05:40 GMT)

RSM UK Audit LLP

Statutory Auditor
Chartered Accountants
Davidson House
Forbury Square
Reading
Berkshire
RG1 3EU

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Financial statements

For the Year ended 30 June 2025

Consolidated Statement of Financial Activities

For the year ended 30 June 2025

		2025	2025	2025	2024	2024	2024
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Note	£'000	£'000	£'000	£'000	£'000	£'000
Income:							
Investments	2	5,273	87	5,360	6,253	71	6,324
Donations and legacies	2	–	985	985	–	4,010	4,010
Other	2	1	–	1	–	–	–
Total income		5,274	1,072	6,346	6,253	4,081	10,334
Expenditure on:							
Raising funds (investment management costs)	5	1,050	–	1,050	1,164	–	1,164
Charitable activities	5	8,406	5,160	13,566	8,733	5,815	14,548
Other	5	5,448	–	5,448	498	–	498
Total expenditure	5	14,904	5,160	20,064	10,395	5,815	16,210
Net (expenditure)/income before investment gains and losses		(9,630)	(4,088)	(13,718)	(4,142)	(1,734)	(5,876)
Net gains/(losses) on investments	7	(583)	–	(583)	25,973	–	25,973
Net income/(expenditure)		(10,213)	(4,088)	(14,301)	21,831	(1,734)	20,097
Other recognised gains and losses:							
Actuarial loss on defined benefit pension scheme	14	(7,472)	–	(7,472)	(8,043)	–	(8,043)
Restriction of movement on pension scheme asset	14	7,719	–	7,719	8,121	–	8,121
Net movement in funds		(9,966)	(4,088)	(14,054)	21,909	(1,734)	20,175
Reconciliation of funds							
Total funds brought forward	13, 22	286,684	4,825	291,509	264,775	6,559	271,334
Total funds carried forward		276,718	737	277,455	286,684	4,825	291,509

The Statement of Financial Activities includes all gains and losses recognised in the year. The notes on pages 52 to 79 form part of these financial statements.

Statement of Financial Activities of the individual parent charity

For the year ended 30 June 2025

		2025	2025	2025	2024	2024	2024
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Note	£'000	£'000	£'000	£'000	£'000	£'000
Income:							
Investments	2	5,273	–	5,273	6,253	–	6,253
Donations and legacies	2	–	150	150	–	617	617
Other	2	401	–	401	383	–	383
Total income		5,674	150	5,824	6,636	617	7,253
Expenditure on:							
Raising funds (investment management costs)	5	1,050	–	1,050	1,164	–	1,164
Charitable activities	5	9,606	90	9,696	9,986	617	10,603
Other	5	5,448	–	5,448	498	–	498
Total expenditure		16,104	90	16,194	11,648	617	12,265
Net (expenditure)/income before investment gains and losses		(10,430)	60	(10,370)	(5,012)	–	(5,012)
Net gains/(losses) on investments	7	(583)	–	(583)	25,973	–	25,973
Net income/(expenditure)		(11,013)	60	(10,953)	20,961	–	20,961
Other recognised gains and losses:							
Actuarial loss on defined benefit pension scheme	14	(7,472)	–	(7,472)	(8,043)	–	(8,043)
Restriction of movement on pension scheme asset	14	7,719	–	7,719	8,121	–	8,121
Net movement in funds		(10,766)	60	(10,706)	21,039	0	21,039
Reconciliation of funds							
Total funds brought forward	13, 22	285,814	3	285,817	264,775	3	264,778
Total funds carried forward		275,048	63	275,111	285,814	3	285,817

The Statement of Financial Activities includes all gains and losses recognised in the year. The notes on pages 52 to 79 form part of these financial statements.

Balance Sheet

As at 30 June 2025

		Group	Foundation	Group	Foundation
		30 June 2025	30 June 2025	30 June 2024	30 June 2024
	Note	£'000	£'000	£'000	£'000
Fixed assets					
Fixed asset investments	7	280,500	280,500	289,005	289,005
		280,500	280,500	289,005	289,005
Current assets					
Debtors	8	4,072	365	6,792	906
Current asset investments	9	3,470	2,391	6,398	5,357
Cash at bank and in hand		8,529	4,687	8,213	4,774
		16,071	7,443	21,403	11,037
Creditors due within one year	10	(9,034)	(6,274)	(11,193)	(8,829)
Net current assets		7,037	1,169	10,210	2,208
Total assets less current liabilities		287,537	281,669	299,215	291,213
Creditors due after more than one year	11	(6,084)	(2,560)	(5,909)	(3,599)
Net assets excluding pension liabilities		281,453	279,109	293,306	287,614
Pension liability	14	(1,528)	(1,528)	(1,797)	(1,797)
Provision for Pension Buy-in	14	(2,470)	(2,470)	–	–
Net assets		277,455	275,111	291,509	285,817
Funds					
General funds		278,246	276,576	288,481	287,611
Less: pension liability	14	(1,528)	(1,528)	(1,797)	(1,797)
General funds after pension liability		276,718	275,048	286,684	285,814
Restricted funds	13	737	63	4,825	3
Total funds	13	277,455	275,111	291,509	285,817

Approved and authorised for issue by the Board of Trustees on 20 November 2025.

Paddy Sloan

Paddy Sloan (Dec 10, 2025 12:01:05 GMT)

P Sloan (she/her)
Chair of Trustees

The notes on pages 52 to 79 form part of these financial statements.

Consolidated statement of cashflows

For the year ended 30 June 2025

	Note	2025 £'000	2024 £'000
Cashflows from operating activities	20	(14,900)	(10,878)
Cashflows from investing activities:			
Investment income		164	153
Divestment to fund operating activities		9,510	9,475
Divestment of Church House		5,591	–
Net capital addition to investments		–	(11)
Net cash provided by investing activities		15,265	9,617
Change in cash and cash equivalents in the reporting period		365	(1,261)
Cash and cash equivalents at the beginning of the reporting period		9,254	10,515
Cash and cash equivalents at the end of the reporting period		9,618	9,254
Analysis of cash and cash equivalents:			
Cash at bank and in hand		8,529	8,213
Current asset investments		1,089	1,041
Total cash and cash equivalents		9,618	9,254

Notes to the accounts

1. Accounting policies

a. Principal policies

The financial statements of the charity, registered in England and Wales, which is a public benefit entity under FRS 102, are prepared under the historical cost convention as modified by the revaluation of investments and in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102), the 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 United Kingdom and Republic of Ireland (FRS102) (effective 1 January 2019) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the second edition of the Charities Statement of Recommended Practice issued in October 2019 applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The functional currency of the foundation is GBP (sterling). The legal status of the foundation is that of a Royal Charter Charity.

The accounting policies and estimation techniques have been applied consistently from prior years. A review of the foundation's activities is set out in the Trustee's Report on pages 4 to 41. A review of the financial position of the foundation, its cash flows, liquidity position and investment position are set out in pages 29 to 31. The foundation produces an annual business plan and the Trustees are satisfied that the foundation can meet its operational plans from its own resources.

The foundation has considerable liquid financial resources and it also has no borrowings. As a consequence, the Trustees believe that the foundation is well placed to manage its operating risks successfully and is a going concern.

The foundation, through its Investment Committee, reviews at each meeting the credit rating of all institutions with which it deposits funds and also reviews the portfolio for credit risk.

The charity has taken advantage of the exemptions in FRS 102 from the requirements to present a charity only cash flow statement and certain disclosures about the charity's financial instruments.

b. Basis of consolidation

The consolidated statement of financial activities, the consolidated balance sheet and the consolidated cash flow statement included the financial statements of the foundation and its subsidiary undertaking (Justice Collaborations) up to 30 June 2025, using the line by line method. Intra group transactions are eliminated fully on consolidation. The total and net income for the foundation for the year are shown on page 49.

c. Income

Investment income comprises income from investment funds, fixed income bonds, short term fixed deposits and cash funds. Interest on deposits and cash funds is recognised on an accruals basis. Dividends are recognised from the ex-dividend date when they become receivable.

Donation and legacy income comprises restricted funds received from external donors for specific programmes as disclosed in note 13. This income is recognised when the organisation is entitled to the income, receipt is probable, and the amount can be reliably measured.

d. Investment assets

Investments are initially recognised at cost and valued at closing market prices ruling at the balance sheet date which give rise to unrealised gains and losses during the period. These amounts are included under “net gains/(losses) on investment” in the Statement of Financial Activities, which also reflects the difference between the net proceeds from sale of investments and mid-market value at the previous period end.

Net liquid resources comprise cash held in deposit accounts as part of good treasury management.

e. Tangible fixed assets

All tangible fixed assets costing over £5,000 are capitalised. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life.

Depreciation is charged when an asset is brought into use at the following rates: Furniture and equipment: 20-50% of cost per annum.

Assets that are impaired in value are written down to their impaired value.

f. Leases

Operating lease expenses are charged to the Statement of Financial Activities over the life of the lease on a straight-line basis.

g. Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Raising funds

This heading includes the investment management costs, the cost of any other advice relating directly to the investment portfolio and an allocation of staff time in dealing with the foundation’s investments on a day-to-day basis.

Charitable activities

The costs under this heading are further split between grants, grant-making and research, other direct costs and governance in note 5. Staff costs are allocated to these subheadings based on an estimate of time spent on each activity.

Grants are charged to the Statement of Financial Activities when the award is communicated to the recipient and thereby a constructive obligation arises.

Grant-making and research costs include costs of research commissioned and/or carried out by the foundation, grantee events, costs directly associated with the Justice First Fellowship programme and an allocation of staff time spent on grant awarding and monitoring.

Other direct costs include office rent and expenses, IT maintenance and website development, insurance and an allocation of staff time spent on support functions including accounting and statutory reporting.

Governance costs include costs of audit fees and costs associated with the functions of the Trustees and the cost of the external advisor to the Committees.

Other

The costs in this heading are explained fully in note 5. They include pension costs (see k. below).

h. Going concern

The Trustees have reviewed the foundation's forecasts and projections covering a period that exceeds twelve months from the date of signing these financial statements and based on the levels of available cash, commitments made by funders and having taken into account economic conditions, the Trustees are satisfied that the foundation has adequate resources to continue in operation for the foreseeable future. Accordingly, the going concern basis has been used in preparing these financial statements.

i. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the Balance Sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the Statement of Financial Activities.

j. Fund accounting

The foundation has various types of funds for which it is responsible, and which require separate disclosure. These are as follows:

Restricted funds

Donations or legacies received, or income arising from such, which are earmarked by the donor for specific purposes. Such purposes are within the overall aims of the foundation.

Unrestricted funds

Funds are expendable at the discretion of the Trustees in furtherance of the objects of the charity. In addition to expenditure on grants, such funds may be held in order to finance capital investment and working capital.

k. Pension costs

For the defined benefit scheme, the amount charged to resources expended is the current service costs. Past service costs/gains are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs/gains are recognised over the period until vesting occurs. The interest cost and the expected return on the assets are also shown under the relevant category of resources expended. Actuarial gains and losses are recognised immediately in the Statement of Financial Activities.

The assets of the defined benefit scheme are held separately from those of the foundation, in separate pension Trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities.

Where there is a surplus in the funded scheme, this is considered irrecoverable as the Trustees consider it cannot currently be recovered against future service costs or by future refund. Therefore, a restriction is applied to the surplus to exclude it from the balance sheet.

Following the closure of the Defined Benefit scheme to future service accrual from 31 August 2021, a number of staff have joined a group self-invested pension plan from 1 September 2021. Contributions to this scheme are charged to the Statement of Financial Activities as they are incurred.

l. Value added tax

Expenditure is stated gross of irrecoverable value added tax (VAT).

During 2020, the foundation formed a VAT group with its subsidiary, Justice Collaborations, and hence is jointly and severally liable for amounts owed by any member of that VAT group in respect of unpaid VAT.

m. Tax status

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable trust for UK corporation tax purposes.

Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

n. Provisions

Where contracts become onerous, a full provision is made for the estimated future costs of the contract. Consideration is given to whether discounting future cash-flows would have a material impact and the provision is calculated accordingly.

o. Related party transactions

Transactions with related parties are disclosed in the notes to these financial statements. The foundation's policy is for Trustees, Executives and advisers to committees to declare their interest and exempt themselves from all relevant discussions and decisions which may involve a transaction with a related party or in which they may have a conflict of interest. Details of related party transactions are included in note 17.

p. Financial instruments

Financial assets and liabilities are recognised on the foundation's balance sheet when the foundation becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are recognised at cost less any relevant impairment for estimated irrecoverable amounts.

q. Significant judgements and estimates

The foundation, in preparing its accounts, makes judgements and estimates concerning the future that have a significant effect on the amounts recognised in the accounts in regard to three main areas.

Judgements:

Onerous lease

The lease was re-assigned on 9 April 2019.

Note 18 provides further information regarding the current position and judgements which have been made regarding potential future liabilities associated with the lease.

Estimates:

Pension scheme

The key assumptions used for FRS102 are agreed by the foundation on advice from the Scheme Actuary and are listed in note 14.

Provision for Pension Buy-in

During the period, COLPAS entered into a buy-in policy whereby a Bulk Purchase Annuity Policy was entered into with Royal London. The policy covered the liabilities of all previously unsecured members within the Scheme. This is a first stage of a 2-3 year process to the ultimate buy-out and wind up of the Scheme.

The foundation has committed to pay additional contributions of c£5 million to facilitate the transaction, of which £2.53 million was paid in the year and recognized as other expenditure.

The provision includes an estimate for additional liabilities for benefits, expenses to wind-up and contingencies.

2. Income

	2025 Group £'000	2024 Group £'000	2025 Foundation £'000	2024 Foundation £'000
Investment Income				
Income from investment funds	5,105	6,027	5,105	6,027
Interest on bonds	91	156	91	156
Bank Interest	164	141	77	70
	5,360	6,324	5,273	6,253
Voluntary Income				
Grants	985	4,010	150	617
Other Income	1	–	401	383
Total Income	6,346	10,334	5,824	7,253

Incoming grants are all allocated to restricted funds. Details are shown in note 13.

3. Transactions with Trustees and External members of Committees

	2025 Foundation	2024 Foundation
No of Trustees claiming expenses in the year	2	2
Total expenses claimed	£3,165	£3,465

The trustees do not receive any remuneration

	2025 Foundation £'000	2024 Foundation £'000
Amounts paid to external advisors to Trustees	18	27

4. Net income/(expenditure)

	2025	2024
	£'000	£'000
Net income/(expenditure) for the year is stated after charging:		
Fees payable for services provided by the auditor and the auditor's related entities (including irrecoverable VAT):		
Auditor's Remuneration RSM UK Audit LLP:		
Foundation	57	40
Justice Collaborations	18	17
All other non-audit services:		
Foundation	8	–

5. Analysis of total expenditure

Group	2025 Staff costs £'000	2025 Other £'000	2025 Total £'000	2024 Total £'000
Raising funds				
Investment management costs	37	1,013	1,050	1,164
Charitable activities				
Grants		10,360	10,360	11,620
Grant-making and research	1,078	648	1,726	1,570
Other direct costs	564	650	1,214	1,134
Governance	107	159	266	224
	1,749	11,817	13,566	14,548
Other				
Pension scheme	12	346	358	400
Contribution to Pension Buy-in	–	5,000	5,000	–
Other pension scheme charges	–	90	90	98
	12	5,436	5,448	498
	1,798	18,266	20,064	16,210

Foundation	2025 Staff costs £'000	2025 Other £'000	2025 Total £'000	2024 Total £'000
Raising funds				
Investment management costs	37	1,013	1,050	1,164
Charitable activities				
Grants		6,763	6,763	7,920
Grant-making and research	1,072	423	1,495	1,372
Other direct costs	564	640	1,204	1,115
Governance	107	127	234	196
	1,743	7,953	9,696	10,603
Other				
Pension scheme	12	346	358	400
Contribution to Pension Buy-in	–	5,000	5,000	–
Other pension scheme charges	–	90	90	98
	12	5,436	5,448	498
	1,792	14,402	16,194	12,265

A breakdown of grants awarded during the year is given in note 16 and is referred to in the Trustee's Report.

Other pension scheme charges

Details of the costs of the defined benefit pension scheme, unfunded pension and contribution to pension buy-in are provided in note 14.

6. Staff costs

	2025 Group £'000	2025 Foundation £'000	2024 Group £'000	2024 Foundation £'000
Staff costs				
Wages and salaries	1,361	1,361	1,177	1,177
Social security costs	138	138	132	132
Pension costs	189	189	172	172
	1,688	1,688	1,481	1,481
Temporary staff costs	31	31	50	50
Other Employee Benefits	73	73	61	61
	1,792	1,792	1,592	1,592

No Termination payments were made in 2025 (2024: £14,965 to 2 persons).

The number of employees earning in excess of £60,000 per annum, including their taxable benefits, in bands of £10,000 were:

	2025 Group No.	2024 Group No.
£60,001 – £70,000	3	–
£70,001 – £80,000	1	–
£80,001 – £90,000	–	2
£90,001 – £100,000	2	–
£120,001 – £130,000	–	1
£140,001 – £150,000	1	–

The above amounts include as appropriate salary, medical insurance costs and employee contributions to pension schemes made through salary sacrifice.

During the years ended 30 June 2025 and 2024, all of the staff included in the salary banding table above were active members of the defined contribution pension scheme.

The average number of employees, analysed by organisation, was:

	2025	2024
	No.	No.
Foundation	22	19
Justice Collaborations	4	4

The average full-time equivalent number of employees in the Group was 23.2 (2024: 20.5).

Remuneration of key management personnel

Key management personnel are deemed to comprise the Trustees, and Senior Management Team, comprising the Chief Executive, Director of Grants & Learning, Director of Operations, Director of Strategy and General Counsel, Director of Justice Together Initiative who was appointed in November 2024.

Their aggregate remuneration in the current year including pension benefits was £481k (2024: £384k).

Ratio of highest to lowest salary costs

Reflecting our focus on pay transparency and in line with NCVO guidance, the ratio between the highest salary (2025: £136k, 2024: £130k) and the median salary (2025: £52k, 2024: £50k) in the Group is 2.61:1, (2024: 2.60:1). The ratio of the top salary to the lowest as at 30 June 2025 is 4.26:1 (2024: 3.71:1). These calculations are based on Full Time Equivalent salaries before pension salary sacrifice adjustments.

7. Fixed asset investments: Group & Foundation

	2025	2024
	£'000	£'000
Market value at 30th June		
Fixed income	20,536	19,013
Equities	212,391	230,888
Property	10,214	9,975
Alternatives	28,117	19,947
Cash/liquid assets	9,242	9,182
	280,500	289,005

The investment portfolio was held solely in a range of managed pooled funds until September 2021. Following the appointment of Sarasin & Partners as investment managers the majority of the holdings in pooled funds were sold and the proceeds transferred to Sarasin's to invest on behalf of the Foundation. This was completed in 23-24

	2025	2024
	£'000	£'000
Reconciliation of opening & closing market values		
Market values as at 1st July	289,005	267,631
Additions at cost	169,386	117,594
Disposals at cost	(164,213)	(137,573)
(Decrease) Increase Investment cash	(414)	3,780
Investment gains/(losses)	(13,264)	37,573
Market value of investments as at 30th June	280,500	289,005
Historical cost of investments at 30th June	258,863	254,104

	2025	2024
	£'000	£'000
Reconciliation of movements in unrealised gains on investment assets		
Unrealised (losses)/gains at 1st July	34,901	(2,672)
Movement in the year	(13,264)	37,573
Unrealised gains (losses) at 30th June	21,637	34,901

8. Debtors

	2025	2025	2024	2024
	Group	Foundation	Group	Foundation
	£'000	£'000	£'000	£'000
Other debtors	54	54	77	77
Amounts due from charity subsidiary	–	77	–	96
Prepayments and accrued income	4,018	234	6,715	733
	4,072	365	6,792	906

9. Current asset investments

	2025	2025	2024	2024
	Group	Foundation	Group	Foundation
	£'000	£'000	£'000	£'000
Cash and cash deposits	1,089	10	1,041	–
Short-dated bond portfolio	2,381	2,381	5,357	5,357
	3,470	2,391	6,398	5,357

The portfolio of short-dated bonds were realized and closed by the end of the financial year to support funding of the Pension Buy-out. A liquidity portfolio was opened with Sarasins and Partners to optimize income on available working capital.

10. Creditors due within one year

	2025	2025	2024	2024
	Group	Foundation	Group	Foundation
	£'000	£'000	£'000	£'000
Amount due to charity subsidiary	–	4	–	1,565
Grants payable	8,436	5,737	10,403	6,542
Other creditors	116	87	202	179
Tax and social security	45	45	40	40
Accruals	437	401	548	503
	9,034	6,274	11,193	8,829

11. Creditors due after more than one year

	2025	2025	2024	2024
	Group	Foundation	Group	Foundation
	£'000	£'000	£'000	£'000
Grants payable	6,084	2,560	5,909	3,599

12. Analysis of net assets between funds

	2025	2025	2025	2024
	Unrestricted	Restricted	Total	Total
Group	£'000	£'000	£'000	£'000
Fixed assets	280,500	–	280,500	289,005
Current assets	9,050	7,021	16,071	22,194
Liabilities <1 year	(7,089)	(2,760)	(9,849)	(11,984)
Liabilities >1 year	(5,743)	(3,524)	(9,267)	(7,706)
	276,718	737	277,455	291,509

	2025	2025	2025	2024
	Unrestricted	Restricted	Total	Total
Foundation	£'000	£'000	£'000	£'000
Fixed assets	280,500	–	280,500	289,005
Current assets	7,380	63	7,443	11,037
Liabilities <1 year	(7,089)	–	(7,089)	(8,829)
Liabilities >1 year	(5,743)	–	(5,743)	(5,396)
	275,048	63	275,111	285,817

13. Funds

	At 1.7.24	Movement in funds	At 30.6.25
Movements in funds – Group	£'000	£'000	£'000
General funds	288,481	(10,235)	278,246
Funds excluding pension liability	288,481	(10,235)	278,246
Unfunded pension liability	(1,797)	269	(1,528)
	286,684	(9,966)	276,718
Restricted funds	4,825	(4,088)	737
Total funds	291,509	(14,054)	277,455

	At 1.7.24	Movement in funds	At 30.6.25
Movement in funds – Foundation	£'000	£'000	£'000
General funds	287,611	(11,035)	276,576
Funds excluding pension liability	287,611	(11,035)	276,576
Unfunded pension liability	(1,797)	269	(1,528)
	285,814	(10,766)	275,048
Restricted funds	3	60	63
Total funds	285,817	(10,706)	275,111

	At 1.7.24	Income	Expenditure	At 30.6.25
Restricted Funds	£'000	£'000	£'000	£'000
Foundation				
– Justice First Fellowship	3	150	90	63
Justice Collaborations				
– Justice Together Initiative	4,822	922	5,070	674
Less: grant awarded by parent to subsidiary				
Consolidated Group total	4,825	1,072	5,160	737

Justice First Fellowship

Information on the Justice First Fellowship is included in the Trustee's Report on page 18. The majority of the funders of this programme have agreed to fund a specific host or hosts in a given year.

Justice Collaborations

The grants awarded to Justice Collaborations are all contributions to the Justice Together Initiative.

14. Pension (liability)/asset Group and Foundation

The foundation operates a funded defined benefit contributory Pension Scheme providing benefits based on members' final pensionable salary at retirement, death or leaving service. The Scheme was closed to new members during 2019 and closed to accrual on 31st August 2021.

When the defined benefit scheme closed to new members, new staff members were auto enrolled into the NEST scheme. Following the closure of the defined benefit scheme to future accrual, a new Group Self Invested Pension (GSIP) scheme was set up. All staff (other than those who may have opted out) were members of the GSIP at 30 June 2025.

The defined benefit scheme is a separately constituted trust with member nominated Trustees and foundation appointed Trustees. Under the Trust Deed the employer decides the benefit structure and the Trustees, on the advice of the Scheme Actuary, decide the required funding rate.

The assets of the Scheme, including purchased annuities, are held separately from those of the foundation.

Insurance transaction

During the period, the Scheme entered into a buy-in policy with Royal London covering the liabilities of all previously unsecured members within the Scheme. The income from the policy exactly matches the amount and timing of all benefits payable to those members covered under the policy. As a result, the value of the policy is equal to the value of the liabilities that the policy premium was paid to cover.

The March 2025 purchase of the buy-in policy has been accounted for as a change in investment strategy of the Scheme recognising the change in asset value as a result of purchasing the insurance policy as part of the actuarial losses on assets in the OCI.

All Scheme liabilities (with the exception of liabilities in respect of GMP equalisation) are now insured with insurance companies. The asset value of the policies have been valued using the same assumptions as those used to value the accounting DBO.

GMP equalisation

Following the High Court ruling on 26 October 2018 regarding the equalisation of Guaranteed Minimum Pension ('GMP') benefit within the Lloyds pension scheme, the Scheme is required to adjust benefits to remove the inequalities between the GMP benefits awarded to males and females.

The Scheme has not yet implemented GMP equalisation, but progress is underway for equalising the benefits in the Scheme. Previously, it was estimated that the impact of GMP equalisation was c.0.40% of the DBO. The results of the GMP equalisation calculations show a c.0.06% increase in DBO; therefore, the allowance made for GMP equalisation has been reduced from 0.40% to 0.06% of DBO accordingly. The change in allowance for GMP equalisation has resulted in a past service credit over the period of £411k.

Virgin Media vs NTL Pension Trustees II Limited

In June 2023, the High Court handed down a decision in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law.

On 5 June 2025 the Department for Work and Pensions ('DWP') confirmed that the Government will introduce legislation to give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards. Further detail on the approach and process for this retrospective confirmation is expected to follow in due course.

Following the June 2025 DWP announcement we still expect auditors will seek to understand the status of any investigative work and how this work is progressing, including which amendments may require a retrospective confirmation process. However, the risk of any adjustments to the DBO is now significantly lower than prior to the June 2025 DWP announcement.

This scheme is currently in surplus as calculated in accordance with the FRS102 valuation basis. However, the Trustees consider that the surplus cannot currently or in the foreseeable future be recovered against future service costs or by future refund and is therefore excluded from the Balance Sheet.

During the year, the foundation paid Pension, Life Assurance Contributions and administration costs to the Scheme of £2,930k (2024: £400k) comprising normal contributions of £333k (2024: £400k) and special payments of £2,530k (2024: £nil). This was part payment of total c£5 mn provision to facilitate entering into a buy-in policy with Royal London covering the liabilities of all previously unsecured members within the Scheme.

The principal assumptions used for the FRS 102 valuation were as follows:

	2025	2024
	%	%
Discount rate	5.50	5.15
Future increase in RPI	2.95	3.20
Future increase in CPI	2.45	2.60
Retail price Index pension increases		
– max 5%	2.80	3.20
– max 2.5%	1.90	2.50

It has been assumed that members reaching normal retirement date will exchange 67% of the maximum allowable amount of their pension for cash at retirement. This is based on the post 'A-day' definition of maximum cash.

Mortality assumptions used are in line with 100% of the PxA16 tables based on Members' year of birth, improving in line with CMI 2024 projections with a 1.5% p.a. long-term trend for females and males.

Average expected future life at age 65:

	1 July 2025	1 July 2024
Male currently aged 65	23.3	23.2
Female currently aged 65	25.4	25.4
Male currently aged 45	24.9	24.7
Female currently aged 45	27.1	27.1

The assets in the scheme are:

	2025 £'000	2025 £'000	2024 £'000	2024 £'000
Funded scheme				
Corporate bonds and gilts	–		85,794	
Asset backed credit	269		1,955	
Private credit	–		3,191	
Purchased annuities	42,414		45,122	
Full scheme buy-in with Royal London	78,394		–	
Cash	1,213		306	
Total market value of assets	122,290		136,368	
Actuarial value of liabilities	(120,880)		(129,696)	
Net surplus in the funded scheme		1,410		6,672
Unfunded pension liability				
Actuarial value of liabilities	(1,528)		(1,797)	
Net deficit in the funded scheme		(1,528)		(1,797)
Net (deficit) surplus in the scheme (funded and unfunded)		(118)		4,875
Less: Irrecoverable pension scheme surplus		(1,410)		(6,672)
Net surplus in the funded scheme		(1,528)		(1,797)

The total net deficit of the funded and unfunded scheme pension liabilities at 30 June 2025 on the FRS 102 basis was £0.1 million (2024: surplus £4.9 mn). The deficit arises due to the unfunded pension liability only. The restriction represents the surplus in the funded Scheme which the Trustees consider cannot currently be recovered against future service costs or by future refund and is therefore excluded from the Balance Sheet.

The movement in the restricted amount has been charged to the Statement of Financial Activities under the heading other resources expended.

Assets are valued at the bid value. FRS 102 regulations require the expected rate of return on assets to be based on the Discount Rate. The liabilities are valued using a market rate derived from high quality corporate bonds and do not depend upon the assets in which the pension is invested.

Sensitivity of assumptions

	2025	2024
	%	%
A 0.5% reduction in discount rate	5.3	5.1
A 0.5% increase in price inflation	3.0	1.3
A one-year increase in average age of member on death	3.2	3.5

The above sensitivities show the impact of various changes on the net pension surplus/deficit.

Risk

The Trustees, with the support of the foundation's trustees, have reduced risk:

- » Purchased annuities for pensions in payment when overall market conditions have been appropriate to do so.
- » Entering into a buy-in policy with Royal London covering the liabilities of all previously unsecured members within the Scheme with the support of a Memorandum of Understanding with LEF to meet the administrative costs of the scheme.
- » Do not hold any equities.

Analysis of the amount charged to expenditure

	2025	2024
	£'000	£'000
Other costs	1,270	688
Total operating charge	1,270	688
Expected return on scheme assets	(6,891)	(7,054)
Restriction on charge relating to funded pension scheme liability	(884)	109
Interest on pension liabilities	6,595	6,355
Net return	(1,180)	(590)
Total	90	98

Analysis of amount recognised in the Statement of Financial Activities as actuarial gains and losses

	2025	2024
	£'000	£'000
Actual loss (return) return on assets than expected	14,384	(5,389)
Experience (gain) loss arising on the liabilities	(744)	(1,161)
Changes in assumptions underlying the present value of liabilities	(6,168)	(1,493)
Actuarial loss (gains) before restriction	7,472	(8,043)
Restriction of negative movement on pension scheme asset	(7,719)	8,121
Actuarial (gain) loss	(247)	78
Cumulative amounts recognised as actuarial losses	(40,498)	(40,745)

Movement in liabilities during the year

	2025	2024
	£'000	£'000
Liabilities at the beginning of the year (funded scheme and unfunded arrangements)	131,493	124,578
Movement in the year:		
Interest cost	6,595	6,355
Past service	(411)	–
Loss on changes in assumptions	(6,168)	1,493
Experience (gain)/loss on liabilities	(744)	1,161
Experience change in secured pensioner value	(4,875)	417
Benefits paid	(3,482)	(2,511)
Liabilities at the end of the year (funded scheme and unfunded arrangements)	122,408	131,493

Liabilities at the year-end included £1,528k (2024: £1,797k) in respect of unfunded arrangements outside the Scheme. A £(147k) (2024: £21k) experience adjustment was made in respect of this arrangement during the year.

Movement in scheme assets during the year

	2025	2024
	£'000	£'000
Scheme assets at the beginning of the year	136,368	136,977
Movement in the year:		
Expected return on scheme assets	6,891	7,054
Actuarial loss	(14,384)	(5,389)
Expenses paid by scheme	(1,270)	(688)
Experience change in secured pensioner value	(4,875)	417
Employer contributions	2,930	400
Benefits paid directly from scheme assets other than annuities	(3,370)	(2,403)
Scheme assets at the end of the year	122,290	136,368

History of experience gains and losses

	2025	2024	2023	2022	2021
	£'000	£'000	£'000	£'000	£'000
Scheme assets	122,290	136,368	136,977	186,787	250,706
Pension liabilities: funded scheme and unfunded arrangements	(122,408)	(131,493)	(124,578)	(148,240)	(208,112)
Net (deficit) surplus: funded scheme and unfunded arrangements	(118)	4,875	12,399	38,547	42,594
Experience adjustments on scheme assets	(14,384)	(5,389)	(51,399)	(59,589)	(17,620)
Experience adjustments on scheme liabilities	597	1,161	(1,097)	3,739	1,760

The deficit Contributions payable by the foundation to the Scheme for the year to 30 June 2025 are £2,930k. Special payments were made of £2,530k as part of total c£5mn provision due over 2-3 years to facilitate the Buy-in

15. Provision for Pension Buy-in

	2025
	£'000
Charge in the Year	5,000
Amount Paid in Year	(2,530)
Amount Carry forward	2,470
Of which estimated due:	
within 1 year	815
after 1 year	1655
Amount Carry forward	2,470

COLPAS Transaction

During the period, COLPAS entered into a buy-in policy whereby a Bulk Purchase Annuity Policy was entered into with Royal London. An initial premium was paid by the Scheme. The policy covered the liabilities of all previously unsecured members within the Scheme. This is a first stage of a 2-3 year process to the ultimate buy-out and wind up of the Scheme.

The Foundation has committed to pay additional contributions of c£5 million to facilitate the transaction. This includes an estimate of in the event of challenge of a number of legal issues, namely the validity of the pensionable pay cap and a number of deeds of record.

The contributions expected in the year to 30 June 2026 are in part to fund any obligations arising from data cleansing, GMP equalization etc to agreeing the final premium with Royal London.

16. Grants

	2025	2025
	£'000	No.
Foundation		
Stronger sector – general grants	3,209	26
Stronger sector – Justice First Fellowship	1,812	24
Fairer systems	1,978	23
Smarter Justice	22	1
Financial adjustments and refunds on completed grants	(153)	
Previous grant award rescinded	(105)	
	6,763	74
Less: grant award from the Foundation to Justice Collaborations	(800)	
Justice Collaborations	4,397	
Total	10,360	74

The details of the new grants awarded in the year are shown on the following pages:

Programme	£'000
Stronger Sector	3,209
Access Social Care	75
Anti Trafficking and Labour Exploitation Unit	33
Article 39	195
Central England Law Centre	101
Citizens Advice Liverpool	28
Civic Power Fund	63
Council of Somali Organisations	76
Disability Law Service	185
Family Rights Group	70
Friends, Families and Travellers	185
Greater Manchester Law Centre	14
Institute of Voluntary Action Research (IVAR)	10
Islamophobia Response Unit	155
Justice Collaborations	800
JustRight Scotland	60
Lloyds Bank Foundation	1
Migrants At Work LTD	34
Norfolk Community Law Service	19
North Wales Community Law	165
Public Interest Law Centre	38
Refugee Action	355
Revoke CIC	15
Right to Remain	7
Rights of Women	175
Southwark Law Centre	175
The Immigration Law Practitioner's Association (ILPA)	175
Justice First Fellowship	1,812
Asylum Aid	22
Cambridge House and Talbot	122
Children's Law Centre	122
Coram Children's Legal Centre	108
Disability Law Service	18
Greater Manchester Law Centre	19
Hammersmith & Fulham LC	141
Harrow LC	25
Housing Rights	19
Joint Council for the Welfare of Immigrants (JCWI)	6

Table continues

Programme	£'000
Justice First Fellowship (continued)	
Just Right Scotland	122
Kirklees Citizens Advice and Law Centre	108
Law Centre Northern Ireland	106
Legal Services Agency	112
Mary Ward Legal Centre	40
Maternity Action	23
Norfolk Community Law Service	22
North Yorkshire Citizens Advice & Law Centre	106
Release Legal Emergency & Drugs Service Ltd	20
South Yorkshire Refugee Law and Justice	110
Speakeasy Law Centre	102
Suffolk Law Centre	100
Vauxhall Community Law & Information Centre	122
Work Rights Centre	117
Fairer Systems	1,978
A B Charitable Trust (ABCT)	105
Economic, Social and Cultural Rights in the UK	5
Human Rights Consortium Scotland	42
the3million	21
Birthrights	155
Children's Law Centre	225
Committee on the Administration of Justice	12
Consortium of LGBT Voluntary and community Organisations	15
Criminal Justice Alliance	10
Detention Action	170
Disability Rights UK	225
Equally Ours	20
Gateshead Carers Association	55
Independent Workers Union of Great Britain	155
Institute of Welsh Affairs (IWA)	33
JUSTICE	65
Participation and the practice of Rights	9
Public Law Project	2
Social Inclusion Recovery Group CIC	125
The Bevan Foundation	155
The Bureau of Investigative Journalism	155
The Centre for Progressive Change	64
WCVA	155

Table continues

Programme	£'000
Smarter Justice	22
University College London	22
Financial adjustments and refunds on completed grants	(153)
Previous grant award rescinded	(105)
Total	6,763

Grants awarded by Justice Collaborations

Organisation	Advice and Representation £'000	Influencing £'000	Total £'000
London	441		441
South London Refugee Association	80		80
Freedom from Torture	86		86
Coram Children's Legal Centre	275		275
East Midlands	640		640
Community Advice and Law Service	475		475
New Europeans UK	165		165
West Midlands	613		613
CARAG	63		63
The Refugee and Migrant Centre	467		467
Tulia	83		83
Yorks & Humber	275	220	495
Manuel Bravo Project	275		275
Migrant Action		220	220
South East	548		548
Samphire	121		121
Asylum Welcome	427		427
Wales	440	275	715
Asylum Justice	440		440
Public Law Project		275	275
National		795	795
The 3million Ltd		137	137
Asylos		143	143
Rainbow Migration		220	220
Citizens UK		175	175
Institute for Public Policy Research		120	120

Table continues

Organisation	Advice and Representation £'000	Influencing £'000	Total £'000
Infrastructure – National		150	150
CARAG		13	13
Hanseatic Union		19	19
Polish Migrant Organise for Change		20	20
Racial Justice Network		20	20
Samphire		10	10
Asylos		13	13
Rainbow Migration		10	10
Migrants Organise Ltd		13	13
Citizens Rights Project		12	12
Refugee and Migrant Forum of Essex & London		15	15
New Europeans UK		3	3
Devon and Cornwall Refugee Support		2	2
Total	2957	1440	4397

17. Related party transactions

Justice Collaborations

Transactions with the charity subsidiary: Justice Collaborations

	2025 £'000	2024 £'000
Expenditure recharged (incl staff)	400	383
Grant expenditure	800	870
Expenditure charged by JC	4	–
Amounts owed by charity subsidiary	77	96
Amounts owed to charity subsidiary	(4)	(1,565)

Other related party transactions

			Expense in the year	Balance at 30.6.25
	Trustee/Senior manager	Relationship	£'000	£'000
Strategic Advisory Panel Member	Chrisann Jarrett	Trustee	1	–

Grantee		Relationship to grantee	Grant award in the year	Balance at 30.6.25
Bevan Foundation	Isata Kanneh, External Member of JC Grants Committee	Employment	–	75
Citizens UK	Zain Hafeez, External Member of JC Grants Committee	Employment	–	175
South London Refugee Association	Zain Hafeez, External Member of JC Grants Committee	Partnership with Citizens UK	80	80
Asylum Aid	Alison Pickup, Trustee	Director	–	99
Women for Refugee for Women	R Takens-Milne, Senior Manager*	Trustee	–	110
			80	539

Funder		Relationship to funder	Award in the year	Balance at 30.6.25
Unbound Philanthropy	Jake Lee, Senior Manager	Deputy Director UK programme	250	125

* Trustee of Women for Refugee Women ended December 2024.

None of the above Trustees took part in any discussions or decisions regarding a grant to a party to whom they are related.

18. Contingent assets and contingent liabilities

Group and Foundation:

Onerous lease

There is a contingent liability for the foundation if the assignee of the lease was unable to meet any liabilities that fall due until the end of the lease in March 2028.

19. Subsidiary undertaking

Justice Collaborations (registered charity number: 1187441; company registration number: 12328192)

Justice Collaborations was established in 2019 as a registered charity and a company limited by guarantee. It is registered in England and Wales and is a wholly owned subsidiary of The Legal Education Foundation. The Legal Education Foundation is the sole member of Justice Collaborations and the liability of the member is limited to £1.

20. Reconciliation of consolidated net expenditure to net cash outflow from operating activities

	2025	2024
	£'000	£'000
Net movement in funds (as per the statement of financial activities)	(14,054)	20,175
Adjustments for:		
Other recognised gains and losses	(247)	(78)
Net gains/losses on investments	583	(25,973)
Net expenditure for the reporting period	(13,718)	(5,876)
Adjustments for:		
Dividends and interest from investments	(5,360)	(6,324)
Investment management costs	1,013	903
(Increase)/decrease in debtors	2,720	196
(Decrease)/increase in creditors	(1,984)	233
(Decrease)/increase in provisions	2,470	–
Difference between pension cost charged and contributions paid	(42)	(10)
Net cash used in operating activities	(14,901)	(10,878)

21. Comparative statement of analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total
	2024	2024	2024
Group	£'000	£'000	£'000
Fixed assets	289,005	–	289,005
Current assets	11,034	11,160	22,194
Liabilities <1 year	(7,959)	(4,025)	(11,984)
Liabilities >1 year	(5,396)	(2,310)	(7,706)
	286,684	4,825	291,509

	Unrestricted funds	Restricted funds	Total
	2024	2024	2024
Foundation	£'000	£'000	£'000
Fixed assets	289,005	–	289,005
Current assets	11,034	3	11,037
Liabilities <1 year	(8,829)	–	(8,829)
Liabilities >1 year	(5,396)	–	(5,396)
	285,814	3	285,817

22. Comparative statement of movement in funds

	At 1.7.23	Movement in funds	At 30.6.24
	£'000	£'000	£'000
Movements in funds – Group			
General funds	266,660	21,821	288,481
Funds excluding pension liability	266,660	21,821	288,481
Unfunded pension liability	(1,885)	88	(1,797)
	264,775	21,909	286,684
Restricted funds	6,559	(1,734)	4,825
Total funds	271,334	20,175	291,509

	At 1.7.23	Movement in funds	At 30.6.24
	£'000	£'000	£'000
Movement in funds – Foundation			
General funds	266,660	20,951	287,611
Funds excluding pension liability	266,660	20,951	287,611
Unfunded pension liability	(1,885)	88	(1,797)
	264,775	21,039	285,814
Restricted funds	3	–	3
Total funds	264,778	21,039	285,817

LEF Annual Report 2025

Final Audit Report

2025-12-16

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Accounts

The Legal Education Foundation

ANNUAL REPORT & CONSOLIDATED FINANCIAL STATEMENTS

Year to 30 June 2024

Foundation Details

Principal Office

15 Alfred Place
London
WC1E 7EB

Charity Registration Number

271297

Principal Professional Advisers

Independent Auditor

RSM UK Audit LLP
Davidson House
Forbury Square
Reading
RG1 3EU

Investment Advisers

Sarasin and Partners LLP
Juxon House
100 St Paul's Churchyard
London EC4M 8BU

Banker

National Westminster Bank plc
94 Moorgate
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EC2M 6UR

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Report of the Governors for the Year Ended 30 June 2024

CONSTITUTION

The Foundation was charity incorporated in 1962 and granted a Royal Charter in 1975. The ultimate control of the Foundation is vested in the Governors who are also its Trustees. They are appointed by the Members of the Foundation who are the current Governors together with those who were Governors within the previous five years and have not resigned as Members.

OBJECTS

The objects of the Foundation, as set out in its Royal Charter, are: 'To promote the advancement of legal education and the study of law in all its branches, and the sound development and administration of law.'

PUBLIC BENEFIT

The Governors confirm that they have referred to the Charity Commission's guidance on public benefit when considering the Foundation's aims and objectives, in planning future activities, and setting its grant-making policy. The information on the following pages, provides more detail on the benefit that the Foundation's activities provide to the public.

STRUCTURE

The Group consists of the Foundation and its wholly owned subsidiary, Justice Collaborations. Justice Collaborations was incorporated on 22 November 2019, is a company limited by guarantee and received charitable status on 17 January 2020. The Trustee Board of Justice Collaborations comprises three Trustees the Foundation's Chief Executive and two independent Trustees. Justice Collaborations' Objects incorporate those of the Foundation, but are wider.

KEY DEVELOPMENTS IN THE YEAR

Context

The importance of independence

Writing this annual report in early July 2024, we are days into a new government in the UK. Civil society organisations, including many of the Foundation’s grant partners, are already engaging with newly appointed ministers urging new priorities, policies and actions.

The independence of civil society, meaning its freedom of action, freedom of purpose and freedom of voice, is one of the hallmarks of a healthy democracy. These freedoms are frequently constrained and sometimes actively challenged in relationships with government and this matters because the independence of civil society is fundamental, whatever the hue or stance of the government of the day. Without these freedoms, civil society groups and organisations risk distorting their accountability away from the lived experience of the communities where they are towards the priorities of others, which may not be the same. Unless these freedoms are protected and boldly asserted, groups and organisations risk undermining their ability to capture needs, to pioneer new ways of addressing these needs, to advocate, to dissent and to harness the energies of their communities.

Our Foundation’s charitable purpose centres on the education, development and administration of law. The attacks in recent times by particular parts of government and the media on social justice lawyers who are working on behalf of communities bearing the brunt of inequality and injustice has been of special concern to us. These are people using legal skills and strategies to support the communities they work alongside, to pursue better practices and policies, to hold the powerful to account and, particularly, to ensure that government and public bodies act within the law. We see how lawyers and legal advisors are so often needed in the UK today to support people to access or enforce their basic social and human rights. The Foundation stands alongside those communities and those lawyers and legal workers striving to do this. This is about solidarity and rights, and a functioning, representative, multi-racial democracy, without which a more just and fair society will not be achieved.

The practical challenges facing communities

This work is even more challenging at a time when the energies of many communities are diminished by hardship and difficulties.

Research by the Joseph Rowntree Foundation published this year records that, in 2021/22, 14.4million people in the UK lived in poverty – 8.1m working age adults, 4.2m children and 2.1m pensioners. The number of people who were destitute, where they cannot afford to meet the most basic physical needs to stay warm, dry, clean and fed, rose to nearly 4million people in 2022, a 148% increase over five years, including 1 million children, three times as many as in 2017.

Poverty rates are higher for people from racialised groups, for disabled people, informal carers, those in social renting and those in private renting. And although rates are higher too amongst people in workless households, two thirds of the working age adults in poverty live in a household where someone is in work. The poverty rates of people claiming different income-related benefits are also much higher than the national average poverty rate. Rates of poverty differ across the country, rates are lower overall in Scotland and Northern Ireland, and highest in England.

At the same time, the welfare benefits system remains characterised by complexity, delay and poor decision making. Conditionality and the continued migration of claimants from legacy benefits to Universal Credit (UC) has exacerbated the impact on low-income families and particularly vulnerable

people. Claimants face destitution when mistakes are made or they do not get the support they are entitled to and have to rely on a lengthy appeal process for resolution.

The figures are stark, and even more so when laid alongside the levels of racism and discrimination that affect so many people's daily lives.

- The trauma experienced by those affected by the Windrush scandal.
- A housing crisis which leaves too many people unable to access their human right to quality, secure and affordable housing. There has been a rise in evictions and record numbers facing homelessness. In Manchester in December 2023, 150+ evictions a week were being dealt with at Manchester County Court. Rents have risen by more than 30% across Greater Manchester in the last two years.
- The glaring disparities in school exclusion rates with children with Black and mixed White and Black Caribbean heritage, and children with special educational needs and disabilities (SEND) being two to five times more likely to be excluded compared to the school population as a whole.
- Survivors of domestic abuse being unable to access legal services.
- Baroness Casey's report exposing the racism, homophobia, sexism and misogyny within The Metropolitan Police.
- The growing crisis of precarious work and the growing trend of low-pay, low-security employment, where labour exploitation is rife.
- The growing levels of inequality, exacerbated by the ongoing legacy of Covid-19 and the worst cost of living crisis in 40 years. ONS data shows that disabled people, people from ethnic minorities and unemployed people are disproportionately struggling to pay their rent and energy bills. Recent assessment by the EHRC of how well the UK Government is meeting its international human rights obligations shows regression in many ESCR areas and no progress across almost all others.
- Backlogs in access to health and social services have continued to increase across all areas particularly in welfare benefits, immigration and asylum.
- Grant partners and their communities have experienced hate crime.
- Failings in the legal and regulatory frameworks that govern public authority use of Automated Decision Making systems (ADMs) and algorithms increase the likelihood of discrimination and make it harder for individuals to seek redress when authorities make unlawful decisions that affect them.

The importance of law

Law is woven into all these issues and challenges. It can make some of them worse, or it can be used to strengthen the power of communities to improve their lives and the lives of others.

We know the role that unresolved legal problems can play on people in causing or exacerbating the challenges they face. This is why we focus on the everyday areas of law such as welfare benefits, housing, debt, employment, immigration, asylum, education, community care and public and administrative law. These can help to deal with the immediate, human and local needs that arise.

We also know that the law and legal strategies can be used to tackle the systemic issues that underpin these issues. Part of that work is to expose the harms that the law can exert. Part of it is to harness the energy people have for change in their lives. And part of it is to strengthen the prospects for that work so that it is successful.

The crisis in social justice legal organisations

So often when people come together, their efforts are framed as *claiming rights that are owed*, or *securing rights that are ignored*, or *protecting rights that are under threat*. So often campaigns talk about the dignity and recognition that comes with *winning rights*.

And yet, the system that supports people to secure their rights and protections and to use the law as a tool for social justice faces ongoing crisis. In England and Wales, the number of legal aid providers has shrunk by more than 40% since 2012. The number of advice agencies and Law Centres providing early legal advice has fallen by 59% since 2013. Only 57% of the population now lives within 10km of a housing legal aid provider.

Organisations working in these areas of law face intense recruitment and retention challenges. Pressures on this workforce are further intensified by the complexity and depth of the issues presented by those seeking help, often because of reduced access to statutory services. We now routinely incorporate training to deal with vicarious trauma into the support we provide to our Justice First Fellows and other grant partners, and we award additional funds to grant partners specifically to increase support for staff wellbeing.

Organisations have to cope with ongoing competition over funding, and somehow find ways to maintain services, work strategically and still invest in learning, development and management capacity. Direct funding cuts are being experienced by organisations from central and local government public sector funding schemes. Where organisations are being funded, it is for shorter periods of time. Independent funders all continue to report that they are heavily oversubscribed.

The structural challenges that underpin the practical deficits

Upholding fundamental rule of law principles relating to the transparency and accountability of public institutions has become increasingly urgent. Many of our constitutional protections have come under severe strain in the recent past. Increasing concerns have been expressed in the UK about the gradual erosion of democratic institutions and norms such as potential breaches of international law over migration legislation, the evasion of parliamentary scrutiny, failures to uphold the standards system, and attacks on institutions and individuals by ministers and backbenchers. A trend reaching back across consecutive governments has continued through the consolidation of greater political power in the Executive.

A raft of legislation has also challenged political rights:

- The Police, Crime and Sentencing Act 2022 and the Public Order Act 2023 gave the police new powers to make arrests and restrict demonstrations, reducing people's right to protest. During the progress of this Bill, the Parliamentary Joint Committee on Human Rights concluded that ministers were creating a hostile environment for protest. Communities have experienced these laws unevenly, with Black people much more likely to be stopped and searched than White people. The ability to access legal aid has been severely reduced.
- The Judicial Review and Courts Act 2022 has strengthened government's power over an independent judiciary by reducing the scope of Judicial Review.
- The Strikes (Minimum Service Levels) Act 2023 has been argued to undermine worker and human rights. During the course of the Bill, the Parliamentary Joint Committee on Human Rights raised concerns that it was not compatible with the European Convention on Human Rights and the right to freedom of assembly and association.
- The Nationalities and Borders Act 2022 widens the power of the state to deprive citizenship without oversight and increases the burden of proof required for asylum applications. This impacts victims of modern slavery and other vulnerable people with complex cases.
- The Illegal Migration Act 2023 prohibits most forms of asylum, reduces appellate rights and provides for greater use of administrative detention without judicial oversight, which means trafficking victims may be deprived of the support they need due to their immigration status.

These Acts were framed by the government at the time as targeting specific groups such as migrants, protestors or asylum seekers, but these laws shrink the democratic space for everyone. In March

2023, the UK was downgraded in the Civicus civic freedoms index saying freedoms in the UK had been obstructed.

A social justice funder

In March 2024, trustees of the Foundation gathered for our annual away day and reflected on our work over nearly ten years since the creation of the Foundation. As an organisation concerned with education of the law, the fundamental question we have asked ourselves over this time is why does it matter that people can learn about, understand and use the law? Our early work prioritised the role of legal education in the context of access to justice. Since then, the challenges facing society as we have seen them, and the experience gained through our open grant programmes, our Justice First Fellowship and the Justice Together Initiative, have shaped our evolution into an organisation that sees a purposeful role for law as a tool for social justice. Indeed, we now define ourselves as a social justice funder and are recognised as one of the largest social justice funders in the UK, bringing a distinctive and specific focus on the role of law.

Being a social justice funder means focusing on systemic change that addresses the root causes of injustice. It has implications for every part of our work: governance, grants, learning, influencing, communicating, operating and investing. We have brought this approach together under the banner of a programme within the Foundation that we call Power, Culture and Inclusion. Later sections in this report go into more detail and, in 2025, we will be launching a new strategy that reflects our lessons over the last ten years and sets the course for the next phase of our development.

Some further important context for this work was contained in research that we supported and took part in this year led by the Civic Power Fund and the Hour is Late, published as *Funding Justice 2*.

The research analysed 18,816 grants from 60 funders in the UK, worth over £950m. These grants were equivalent to around 21% of all UK foundation giving in 2021-22. 27% of these grants (worth £256m) were focused on social justice work. This was just 5.7% of foundation giving in the UK that year.

Each social justice grant identified was coded according to the type of work to tackle injustice that was funded. For this, researchers used the Ayni Institute's framework for understanding social movements, and the different theories of change that drive them. This analysis revealed that:

- Almost a third of the 2,773 social justice grants analysed funded service delivery work. This is vital work, providing much needed immediate support and care to communities and strengthening trust and relationships with and within them. But it focuses on the symptoms of injustice, and doesn't go further to attempt systemic change.
- Around another third of this funding went to work focussed on change on the 'inside track', via legislation, policy, fiscal changes, strategic litigation, or changes in corporate practice.
- By contrast, the 'outside game' work of community organising and mass protest that excluded communities rely on to be heard received less than 10% of the social justice funding analysed.

The researchers concluded that social justice grants are not shifting power to or building the power of communities.

- Only 0.33% of all UK foundation giving, and 1.6% of the grants analysed in the report, went to organising or work that was expressly about building power. And the majority of this funding - 63% - went to work carried out at the national level. Of the grants directed to sub-national work, London received the highest amount of grant funding - £407 of grants per 100 people, compared to £1 per person in five English regions.

- And it was found that funding to challenge injustice is spread thinly across organisations. The 2,773 social justice grants in the dataset were distributed to 1,707 different grantees - an average of 1.6 grants per organisation. Many grantees received small sums of money - 43% secured less than £50,000 and 21% received £10,000 or less.

The research showed that, despite the growing number of funders motivated by injustice, social justice work continues to be severely under-resourced. Scarce funding limits what organisations can do beyond offering crisis support. We do not underestimate, either, the drain on energy and morale of those involved in fighting injustice. More resource is needed to make this work flourish.

2020-2025 strategy - programme delivery this year

In 2022, we refreshed the vision and mission driving our current strategy:

Vision

Our vision is of a just and fair society.

Mission

Our mission is to support communities to use the law to improve their lives and the lives of others.

This year we also refreshed our values:

Values

Trust	<i>We trust and value our partners' and colleagues' lived and learned experience. We work to be trusted by being open and honest, and acting with integrity.</i>
Solidarity	<i>We stand with those taking action to bring about collective benefit. We commit ourselves and our resources to building relationships over the long term that centre well-being, accelerate change and make others' voices heard.</i>
Inclusion	<i>We work to be representative of and accountable to the communities we work with. We challenge systems and structures, including our own, that create and perpetuate oppression, discrimination, inequity and exclusion.</i>
Courage	<i>We are not afraid to challenge injustice.</i>
Reflection	<i>We take seriously the complexity of the issues we are tackling and the importance of learning from communities that are affected. We build a culture in which we are dedicated to reflecting and acting on our learning.</i>

Power, Culture and Inclusion

Countering injustice is central to our work and in doing this it is essential that we uphold racial justice, disability justice and anti-oppressive practices in all our work with grant partners, applicants and wider sector colleagues as well as with our own staff team and trustees.

We call our approach *Power, Culture and Inclusion* (PCI), and in November 2022 we appointed an experienced member of staff to lead this work in recognition of the need for dedicated capacity to coordinate the delivery of our ambitions.

- *Power* signals our commitment to using our own power to confront injustice and the power imbalance in the grantmaking system. It puts voices of those with lived experience of injustice front and centre.
- *Culture* reflects the transformation we are going through in our learning, behaviour and attitudes, and that we want to build the best grant-making environment.
- *Inclusion*, alongside diversity and equity, speaks to our responsibility to being representative of and accountable to the communities we work with.

This year has seen us embed PCI in our strategy review, programmes, training and operations. A PCI action plan is live to keep track of work. This is updated regularly with timescales set at one to three years to ensure goals and tasks are realistic and achievable. The overall PCI work intentionally has no prescribed end date to reflect that this is now part of the Foundation's core.

Key elements of the action plan achieved or in progress to date are outlined below. With PCI goals embedded across all areas of work, further detail on how the plan is being implemented is also demonstrated throughout this annual report.

Grants & Strategy

Our Grants team has consciously aimed to reach new organisations not previously funded by the Foundation, particularly those user-led by communities facing racial inequity. This has led to proactive work to attract and fund a cluster of racial justice grants under Fairer Systems in spring 2024. Details are included in the section on grants awarded this year.

Our teams working on grants and learning and the Justice Together Initiative have discussed complicated and often conflicting desires and issues on the question of collecting race equity data from grant partners, i.e.;

- wanting a joined-up approach with other funders;
- opposing a solely numerical approach to defining race equity organisations;
- avoiding onerous forms and data extraction;
- the conflict of our decision not to share LEF's own staff and board diversity data, while asking grant partners for theirs.

We are working on a combination of quantitative and qualitative data collection from 2025, covering the following:

- continued membership of Funders for Race Equality Alliance and working more closely with them;
- considering sharing our own staff and trustee race equity data externally from 2025;
- separating equity data collection from the application and grant agreement process, we will only ask current grant partners for this data;
- making the data collection optional for grant partners;
- easing the burden as much as possible, e.g. giving people the option of filling in forms or telling us on a call;
- asking organisations about their approach rather than imposing our own or sector standards.

We have contributed £10,000 to Lloyds Foundation research on small voluntary sector organisations run by-and-for those they serve.

In June 2023, we established an advisory panel of people with lived and learned experience of social justice issues to contribute to the development of our 2025-2030 strategy. This group has supported and challenged us and pushed the thinking of our staff team and board.

Work on the new strategy has included examining UK and international models of lawyering where legal practice is deeply integrated with social movements and grassroots activism. We have looked at increasing funding to organisations led by and for communities facing social injustice. This will drive programme development in the next year.

Governance

We completed a governance review of our subsidiary Justice Collaborations in May 2024 to ensure the governance structure was working for the initiative and met the values, including anti-racism.

A governance review of LEF is now underway which involves an analysis of where power lies in the organisation, decision making structures, accessibility and inclusion, and a skills audit including assessing our specialist knowledge of racial and disability justice and lived experience of social justice issues.

We shifted our approach and the language in our recruitment which resulted in actively attracting those with lived experience of social justice issues.

We hold regular discussions on PCI in trustee meetings, including in strategy discussions, and our PCI lead is feeding into the governance review.

People & Policies

A second annual diversity survey of staff and trustees was carried out in March 2024 with added questions on lived experience of poverty and social welfare legal issues. The anonymised findings of this survey were reviewed by our Senior Management Team. The overall findings included:

- we have a broad diversity of ethnic groups compared to the national average, and overall figures are similar to 2023 figures;
- representation of disabled people on our board and staff has increased slightly since 2023 but it is still below national average;
- a small minority of people have lived experience of poverty, and a more significant minority have lived experience of social welfare legal issues.

We have decided as an organisation not to share detailed results more widely due to our small size and the ability of findings to identify individuals, however this decision is being reviewed for 2025. Overall findings are feeding into our governance review, HR policies and our approach to recruitment.

Recruitment practices have been updated to attract and place more candidates with lived experience of social welfare legal issues and from racialised backgrounds in our staff team. We are working with consultants to improve disability access of our recruitment processes and workplace.

Progressive HR policies related to PCI have been developed for example: reasonable adjustments policy, recruitment standards and policy, leave policy including paid disabled persons leave and carers' leave.

Training

PCI training sessions for all staff take place on a minimum quarterly basis with evaluation in place. The following training took place between November 2023 – June 2024: neurodiversity in the workplace, disability confidence, trans awareness, misogyny & sexism.

Staff and trustees took part in a programme of anti-oppression workshops and readings led for us by JEDI consultants between June 2023 – Sept 2024.

A PCI training programme for our Justice First Fellows started in April 2024, with topics including disability confidence and anti-racism.

We have signed up to Ten Years' Time Community of Practice (CoP) training masterclasses, workbook and healing circles for staff and trustees starting in October 2024 covering: the history of philanthropy, building anti-oppressive governance and leadership and anti-racist practice. The aim of the CoP is to embark on a practice of redistributing wealth and control to economically disadvantaged communities of colour.

Access

Dialogue started in January 2024 with the managers of our shared office about access to our building resulting in some changes: the entrance buzzer outside the building was lowered, and a ramp installed.

We have introduced an access and inclusion checklist and guidance for all events that LEF organises. We are building better access support for Justice First Fellows including improved ways to ask for and record access needs.

Our website and workplace accessibility has improved, including integrating an accessibility menu into our website, and delivering training for line managers on recruitment and workplace adjustments.

Frameworks and networks

Our PCI work relies on working with others in the funding sector to advance equity and inclusion, as well as having frameworks to keep us accountable. We are part of the following:

- Funders for Race Equality Alliance including completing the racial justice audit;
- Institute of Voluntary Action Research 'Open and Trusting' grantmaking;
- The Years' Time Community of Practice 2024 – 2027 (racial justice in grantmaking);
- London Funders Equity and Justice Network;
- We have been reviewed by the Foundation Practice Rating for three years running and have used this rating to feed into our PCI action plan.

We are also part of the following nationwide schemes:

- Disability Confident employer Level 1;
- Living Wage employer;
- registering as a Living Wage funder.

2020 - 2025 STRATEGIC OBJECTIVES

The Foundation currently has 137 active grants distributed across the following three programme objectives that are driving our work from 2020 to 2025:

- **Stronger Sector:** Training and support for a thriving social justice legal sector.
- **Fairer Systems:** Transparency, accountability and the protection of rights.
- **Smarter Justice:** An enduring commitment to learning and evidence in the justice system.

The following section of this report summarises activities and highlights from these programmes.

Stronger Sector: Training and support for a thriving social justice legal sector

The Stronger Sector programme offers funding for organisations using the law, legal tools and strategies to promote social justice. In December 2022, we revised the funding guidelines for the Stronger Sector programme to reflect our wider charitable objects. Grants can support provision of legal advice or training, and charitable campaigning to protect, promote or develop the law to meet the needs of communities. We are especially interested in how the law can be used to build power in communities that have been historically oppressed.

We provide funding for staff costs, direct costs such as travel, subsistence or events, overheads, and small capital items such as IT equipment.

In delivering these activities, we welcome collaborations between organisations.

We also recognise the role of second-tier organisations (which support other organisations instead of people directly) in developing coordinated responses.

In many areas, the practical work funded by the programme is informing policy and advocacy work that is successfully influencing wider public policy and public funding locally and nationally.

The anticipated outcomes of the programme are:

- Improved availability, appeal and sustainability of careers in social justice law.
- A cohort of legal organisations that are effective and sustainable.

We are interested in the broad pathways organisations have for pursuing these outcomes, so the grants we make under this programme are flexible.

Highlights of work by grant partners funded under Stronger Sector

Access Social Care has led work to establish a social care legal sector community of practice to support policy and influencing work in relation to sustaining community care legal aid. Achievements include enhancing networking opportunities, securing stakeholder engagement with the Ministry of Justice and Legal Aid Agency, and providing training to LAA staff. Future plans focus on careful mediation, ongoing stakeholder engagement, and advocating for community care law issues within the legal aid system.

ACORN has been supporting community organising in Manchester and Leeds to use law to empower marginalised communities and campaign for change. In September, ACORN members, together with Debt Justice, secured agreement from Manchester City Council to carry out a feasibility study into methods of debt collection that do not involve bailiffs. This follows a successful campaign to secure £1 million from the council towards helping people struggling to pay their council tax.

Disability Rights UK has been working with Disabled People's Organisations (DPO) to strengthen capacity to offer quality advice and information. This has included developing a DPO Support Hub micro-site, hosted on the Disability Rights website, which serves as a resource centre where DPO staff and volunteers can access coproduced materials to support their skill training independently and sustainably. It has also helped more marginalised groups to work towards becoming DPOs, increasing the amount of support available for disabled people in previously underserved communities.

INQUEST and JUSTICE launched *Achieving Racial Justice at Inquests*, which provides lawyers representing families bereaved by deaths in state custody with the legal expertise to raise the potential role of race and racism at inquests. It also provides foundational knowledge and strategy to coroners to ensure they satisfy their duty in fully investigating the circumstances of these deaths.

Liverpool Access to Advice Network is providing a community of practice for the advice sector in Liverpool, supporting collaborative working, sharing skills, knowledge and infrastructure to help residents access appropriate, quality, independent advice at the earliest possible point. This year, the network coordinated a combined response for its members to the government's Civil Legal Aid Consultation bringing important frontline experience into this process.

Living Rent is supporting tenants to come together to know their rights, support each other to ensure that their rights are respected and participate in national campaigns to strengthen and improve tenants' rights.

North Wales Community Law is a new independent charity providing free, specialist legal advice addressing previous concerns about lack of access to social welfare advice in this part of the country. The Foundation supported early feasibility work to develop a new legal service and awarded longer term funding in 2022. The centre has developed particular expertise in Welsh law.

Public Interest Law Centre has been challenging systemic injustice through legal representation, strategic litigation, research and legal education. Part of its work has involved supporting local residents and grassroots campaigns to challenge injustice stemming from gentrification. Its work, which has been widely covered in the media, included successfully holding Southwark Council accountable for promises it made about the provision of social housing in new developments.

Refugee Action has developed deeper collaboration through regional communities of practice which have been established in Hampshire, West Midlands, Yorkshire and Humberside, and London. The networks have enabled reactive work to crises, for example developing and sharing guidance around the Streamlined Asylum Process, and training on the Illegal Migration Act. Refugee Action's Frontline Immigration Advice Project continues to offer support to a huge number of organisations across the UK, offering a pathway to grassroots organisations towards providing regulated legal advice, as well as a valuable resource for new staff at more established specialist advice providers.

Right to Remain publishes a step-by-step guide to the UK asylum and immigration system which has come to be a critical part of the infrastructure for the asylum and migration field. The organisation was key to work to support the sector to engage with the implications of the Conservative government's Rwanda scheme.

Scottish Women's Aid (SWA) successfully tested a model for integrating access to legal help within specialist domestic abuse services. The embedded model helped clients to feel safer and receive consistent, holistic, and understandable advice, and avoid experiences that can be re-traumatising when they access advice. The pilot has secured ongoing Scottish government funding and helped influence the delivery of legal aid for survivors of domestic violence. SWA have since built on this model working with staff and survivors across six local authorities in the Highlands and Islands. The

new pilot, which addresses the additional barriers faced by survivors in geographically remote settings, will be tested in Orkney and Shetland over the next two years.

UCL's Health Justice Partnerships team at the UCL Centre for Access to Justice have published a range of research, practice and training guides that develop the case for investment in health justice partnerships to address health inequalities. The team has also conducted significant policy engagement with Ministry of Justice and relevant health bodies.

New Stronger Sector awarded grants in 2023-24

In the year to June 2024, the Foundation made the following new grants to organisations under the Stronger Sector programme:

Organisation	Grant description	Amount	Term (months)
Asylum Support Appeals Project (ASAP)	Empowering people seeking asylum across the UK to defend their legal right to housing and financial support by building organisations skills in asylum support law through free training, an advice line and an online network of advisors and coordinating organisations to challenge systemic injustice.	£170,000	36
Child Poverty Action Group (CPAG)	Building advisers' capacity to resolve social security issues through appeals and Judicial Review and strengthen their evidence base to influence decision makers through research with social security claimants.	£284,543	36
Citizens UK	Working with a lawyer to help design campaigns around immigration policies, including housing and support provision for asylum seekers and refugees- also, where possible, bringing individual cases and using litigation to bring change in policies.	£150,000	36
Communities Empowerment Network (CEN)	Implementing the first stage of CEN's strategic plan, which aims to strengthen capacity to deliver advocacy representation, training and early intervention support services for parents of minoritised children facing exclusion from school, and to improve financial sustainability.	£120,000	36
INQUEST	Providing casework support for families bereaved by contentious state related deaths, and working directly with families to campaign and influence change in the legal, coronial and investigative framework.	£167,243	36
Justice Collaborations	Contributing to the Justice Together funder collaboration that aims to transform access to justice in the UK immigration system. As well as offering funding, it supports grant partners to build the power and influence of people with lived and learned experience of the immigration system and embed anti-racism strategies.	£800,000	12
Law Centres Network	Supporting work to strengthen the capacity of Law Centres within the network, providing practical support to heighten their impact and enhance their sustainability.	£185,000	36
Living Rent	Supporting tenants coming together to know their rights and to support each other to ensure these rights are respected and realised through local, regional and national collaborative rights-based campaigns.	£140,790	36

London Legal Support Trust (1)	Funding billing coordinator roles in multiple social welfare legal advice charities, and the development of a bespoke, accredited training course for billing coordinators utilising the Apprenticeship Levy to help address recruitment issues in the sector.	£225,000	36
London Legal Support Trust (2)	Supporting continuation of work by Inclusion Barnet and six Deaf and Disabled People's Organisations to develop and test a model for providing inclusive and effective traineeships/entry level advice posts for Disabled people, alongside career progression pathways for advice staff working in DDPOs. The funding will also support the organisations to capture and share learning about how to create and support an inclusive and sustainable advice workforce to deliver accessible advice.	£305,000	12
Lloyds Bank Foundation for England & Wales	Co-funding a research project looking at the distinct characteristics and value of by and for organisations. The research aims to increase understanding about the role equity and user-led organisations play in supporting people to overcome complex issues and barriers.	£10,000	16
Rape Crisis Scotland	Developing the capacity of the Scottish Women's Rights Centre to deliver legal and advocacy services to women survivors of gender-based violence in Scotland and influencing national policy through research and training to improve justice outcomes for women.	£249,372	36
Release Legal Emergency and Drugs Service Limited	Expanding legal services to vulnerable groups, including young people at risk of drug dependency, through the establishment of a Community Care team at the organisation.	£130,481	36
Right to Remain	Supporting public legal education work on the asylum and immigration system to increase the capability of migrants, asylum seekers and their allies navigating the system.	£185,000	36
Scottish Women's Aid	Testing a pilot model for the delivery of free legal services to victim-survivors of domestic abuse in Orkney and Shetland.	£265,344	24
Suffolk Law Centre	Supporting Suffolk Law Centre's sustainability to continue its critical legal advice and casework services in Housing and Family law, and using its learned experience to build expertise and resilience.	£196,492	36
The Unity Project	Widening access to the Change of Conditions process through policy and process change and improving support for CoC applications across the sector.	£127,444	36
Vauxhall Community Law & Information Centre	Contributing to VCLC's core costs, allowing them to hire a finance officer.	£155,000	36
Work Rights Centre	Providing employment legal advice to support migrants and racially disadvantaged workers to access employment justice.	£185,000	36
The Zacchaeus 2000 Trust (Z2K)	Ensuring people in the UK have improved incomes and housing security; dignity, fairness and respect for those interacting with social security system; more people in the UK are living in affordable and decent homes; and people with lived experience of poverty have a stronger voice in policy development, decision-making, and public debate.	£150,000	36

The Stronger Sector programme also includes wider programmes and collaborations that the Foundation has instigated in order to tackle particular strategic challenges facing the sector.

Justice First Fellowship

The Justice First Fellowship is the Foundation's scheme to support the next generation of social justice lawyers. The programme was established to tackle the barriers to a career in this area of law. We seek to provide aspiring social justice lawyers not only with the legal training they need, but also the wider skills, networks and opportunities to develop a long and rewarding career using the law as a tool for social justice.

Since 2014, more than 160 Fellowships have been awarded across all four nations in the UK over ten cohorts, with recruitment currently underway for an eleventh cohort of host organisations that will offer Fellowships starting in April 2025. The Foundation has invested around £9.4 million in the scheme so far. Further expansion in the scale of the programme has been helped by the contributions of other funders and law firms now totalling over £4.6million. AB Charitable Trust, Allen & Overy, BBC Children in Need, City Bridge Trust, Herbert Smith Freehills, Linklaters, Skadden Arps Slate Meagher & Flom and Unbound Philanthropy have partnered with us over multiple rounds.

Justice First Fellows are hosted by some of the best social welfare legal organisations in the country. Each year, organisations are awarded grants which fully fund the costs of employing Fellows over the two years of their training contracts. We now also have a track for Fellows on the Solicitors Qualifying Examination (SQE) pathway. Alongside their training, Fellows are supported to devise and run their own project aimed at increasing access to justice and helping Fellows to gain valuable programme development experience, potentially providing a future income stream for their host organisation.

Fellows reflect a diverse range of backgrounds with a large proportion coming from minoritised communities or with lived experience of circumstances where they themselves have needed the support of social welfare legal advice services. The quality of candidates is extremely high and their commitment to using law for social justice is inspiring.

We bring Fellows together over the course of the two years for additional training, development and networking opportunities. Training covers essential non-legal skills such as project development, fundraising, communications and self-care. These are always very energising events!

Since 2019, we have provided additional wellbeing support to JFFs through a partnership with Claiming Space, a social enterprise that provides training and wider resources for lawyers working with vulnerable people. Regular sessions support Fellows to learn, share and reflect on their practice around dealing with stress, vicarious trauma and burnout and to promote self-care.

During 2023-24, we travelled with two cohorts of JFF alumni to our sixth and seventh week-long learning exchanges to New York to visit inspirational organisations using law for social justice. The visit is coordinated by the US charity Centre for Justice Innovation and chaired across the week by Shauneen Lambe, a specialist social justice lawyer working in the UK and US.

In July 2024 we brought over 70 current and alumni Fellows together at a summer residential in Dundee. Feedback showed that fellows formed positive professional relationships and connections, as well as gaining wider skills, awareness and connections relevant to their work.

Within the wider Stronger Sector outcomes, JFF looks further and directly at the ability of Fellows to develop sustainable careers within social justice law and to advocate for social justice in a way that is accountable and responsive to the needs of their communities. As a result, we carefully track the

employment destinations and career development of all Fellows.

- Of the 110 Fellows that have so far graduated from the scheme, 93% are working as lawyers using law for public benefit.
- 75% of Fellows are working as social justice lawyers in not-for-profit or specialist private law firms.
- 18% are working as lawyers in the public sector including central government, local government, regulators and the courts service.
- 34% of Fellows have remained in their original host organisation. These are new jobs that have been created and sustained by hosts and Fellows.

Whilst the outcomes of the scheme so far are very positive, wider retention and organisational pressures are going to make sustaining these outcomes increasingly challenging.

In 2016, the Foundation launched a co-funding partnership with BBC Children in Need to support Justice First Fellowships in children's law organisations. Over twenty new children's lawyers have been supported since then across ten organisations. We also supported networking among the Fellows which contributed to closer connections and collaboration between their organisations.

This has since been formalised through the creation of the UK Child Law Network which the Foundation has funded, alongside Esmée Fairbairn Foundation. The network brings together ten organisations who promote best practice in legal representation for children, advance reform to policy makers, lawyers, local and national decision makers and identify opportunities for strategic litigation to advance children's legal rights. The network has been active in the period running up to the general election, and is now engaging with the new government.

Beyond the headline figures it is important to recognise that in the course of their work Fellows every day are making valuable contributions to their communities at an increasingly significant scale – delivering casework across all areas of social welfare law, developing new services, carrying out research, collaborating with each other and with other organisations, making strategic use of law in tribunals and higher courts, including up to the Supreme Court, authoring regular articles in the press, and being interviewed about their work.

This year, the Foundation has invested £1.7million in the JFF scheme.

Twelve new Justice First Fellows (cohort ten) began their Fellowships in 2024. The following host organisations were all awarded funding over two years to cover the costs of employing and supervising Fellows:

- Asylum Aid*
- Citizens Advice Bradford & Airedale and Bradford Law Centre
- Community Law Service*
- Derbyshire Law Centre
- Islington Law Centre
- Joint Council for the Welfare of Immigrants (JCWI)*
- Just for Kids Law*
- Luton Law Centre
- Merseyside Law Centre
- Norfolk Community Law Service
- Shelter
- Tower Hamlets Law Centre

* Co-funded with AB Charitable Trust

** Funded by Skadden, Arps, Slate, Meagher & Flom (UK) LLP

The Community Justice Fund

The Community Justice Fund was established in March 2020 as a response to the coronavirus pandemic and the challenges posed to the legal advice sector and those it supports. The Foundation worked together with other independent funders, AB Charitable Trust, Access to Justice Foundation, Indigo Trust and Therium Access to raise and distribute resources quickly to where they were needed. The work was driven and overseen by a steering group made up of advice sector umbrella bodies and frontline organisations.

Over £17million was raised and distributed via an initial three rounds of grants, with substantial contributions from the Ministry of Justice and the National Lottery.

Through 2022-23 the CJF partners worked together on a successful bid to the National Lottery for £30million to support a legacy fund coming out of CJF called Improving Lives Through Advice (ILTA). This fund has gone on to be administered by the Access to Justice Foundation. Twenty-three current LEF and JTI grants partners went on to be funded by ILTA receiving grants up to £500,000 over up to five years.

Whilst the direct collaboration on the Community Justice Fund has now drawn to a close, we continue to work with partner funders and the field to address the structural challenges facing the legal advice sector.

Fairer Systems: Transparency, accountability and the protection of rights

Under this programme, we fund charitable work that promotes transparency, accountability and the protection of human rights, including economic and social rights. This means that we fund organisations working to hold government institutions and policymakers to account so that they exercise power in the interests of communities and uphold fundamental rights and freedoms.

The programme funds work across the UK with organisations aiming to influence national, devolved and local governments. We particularly value community-led and lived experience-led approaches. We provide funding for staff costs, direct costs such as travel, subsistence or events, overheads and small capital items such as IT equipment.

In delivering these activities, we welcome collaborations between organisations. We also recognise the role of second-tier organisations (which support other organisations instead of people directly) in developing co-ordinated responses.

We work with organisations to ensure funded work operates within the Charity Commission guidance on campaigning and political activity. In May 2023, we commissioned specialist charity lawyer Rosamund McCarthy at Stone King to produce updated guidance on charity campaigning and the Elections Act, to share with grant partners and the wider field.

The anticipated outcomes of the programme are: Law making processes are transparent, accountable and protect human rights, and government digital systems, processes and use of data are clear, fair, and protect people's legal rights.

We are interested in the broad pathways organisations have for pursuing these outcomes, so the grants we make under this programme are flexible.

Spotlights on work by grant partners funded under Fairer Systems

Action for Race Equality published their Windrush Manifesto ahead of the general election, with eight crucial Windrush justice action areas for the new government.

Centre for Military Justice have continued to offer a thoughtful perspective on human rights, applied through their military justice lens. They brought a legal challenge to the Legacy Act on behalf of family members of a British soldier killed in Northern Ireland.

Following campaigning by the Centre for Women’s Justice with Rape Crisis England & Wales, End Violence Against Women Coalition, and Rights of Women, the government accepted an amendment in the House of Lords that will raise the legal threshold for when rape survivors’ counselling notes can be requested by the police. Once the law comes into force, police requests for counselling notes will only be permitted where an investigating officer “has reason to believe that the information sought is likely to have substantial probative value”. As CWJ say, “This is a big win for survivors’ rights to privacy, justice and healing.”

Child Poverty Action Group published its report *You Reap what you Code*, an in-depth and systematic analysis of how Universal Credit claims, decision making and communication, and dispute processes align with the social security legislation that underpins them, and the wider rule of law principles of lawfulness, procedural fairness and transparency. The report secured significant commitments from Department for Work and Pensions to action some of their recommendations.

Equally Ours updated their messaging guide on how to talk about the Illegal Migration Act, human rights and the European Convention on Human Rights. The guide has been updated in light of the Rwanda plan and to include specific messages on the universality of human rights. The guide includes ‘dos and avoids’ for talking about immigration, human rights and the ECHR, along with some example messages to use or adapt.

Hansard Society, Public Law Project and Welsh Governance Centre carried out extensive work to monitor developments in relation to the Retained EU Law (Revocation and Reform) Act 2023 which made major changes to the body of retained EU law in UK domestic law. This work contributed to the decision by government, in May 2023, to scrap the proposed sunset clause, which would have automatically revoked most retained EU law at the end of 2023 including employee protections such as agency worker regulations, working time regulations, TUPE, and maternity and parental leave regulations. At least 600 pieces of retained EU law are set out in a revocation schedule. The Civil Society Alliance remains active in working to maintain and improve standards and accountability in the proposals that remain.

Human Rights Consortium NI released a statement in preparation for the restoration of the Northern Ireland Assembly and the Executive saying, “We must never again be forced to watch as our standards of protection continue to fall because of political disagreements and standoffs.” They also released a briefing note on how the Rwanda bill represents a violation of the Belfast/Good Friday Agreement. The High Court in Belfast ruled to disapply multiple provisions of the Illegal Migration Act in Northern Ireland and HRC NI gave evidence in the case.

Human Rights Consortium Scotland and Just Right Scotland coordinated civil society in Scotland and across the UK around the consultation on new human rights legislation in Scotland. Their response welcomed the government’s intention to incorporate more human rights into Scots law but argued the consultation lacked sufficient proposals for accessing justice when rights are violated. Recommendations included ensuring clear avenues for redress, maximising human rights incorporation within devolved powers, making disabled people’s rights enforceable, and providing clear timelines for when new public body duties become enforceable.

JUSTICE and the UCL Constitution Unit published high profile reports on renewing the UK Constitution which received significant attention in the media as well as from parliamentary parties, especially Labour. Both reports give very specific recommendations for the next government on a wide range of issues concerning constitutional matters and the rule of law. The Constitutional Development Forum, a group of constitutional experts many of whom are funded by the Foundation including the Bingham Centre, the UCL Constitution Unit, the Hansard Society, the Welsh Governance Centre and Public Law Project, have been convening regularly to consider significant constitutional questions and potential reforms.

openDemocracy has secured improvements in legal transparency and holding public institutions to account. A strong relationship with the Information Commissioner's Office has led to enhanced Freedom of Information enforcement and direct consultations on public interest cases. The project secured key disclosures, such as ministerial diaries from the corona virus pandemic, and influenced parliamentary committees. Despite setbacks, including FOI delays and exclusion from key groups, the project has delivered impactful reports, secured tribunal cases, and driven transparency improvements within government departments.

Liberty brought a successful case against the Home Office in relation to the Police, Crime, Sentencing and Courts Act. The court ruled this to be unlawful. This case brought together three of our partners Liberty, as well as Public Law Project as intervener and Hansard Society whose extensive research on secondary legislation was cited. The case is an example of how funding by the LEF on constitutional and human rights work supported important collaboration in the sector of research, campaigning and legal action, successfully challenging the extensive use of executive power and democratic deficit in the legislative processes. The case was led by a Justice First Fellow alumna, Katy Watts.

Suzy Lamplugh Trust (SLT) and Centre for Women's Justice submitted evidence to Parliament on the Victims and Prisoners Bill. Both were also signatories to the Violence Against Women and Girls (VAWG) sector joint manifesto, co-signed by 70 organisations, calling for all political parties to end violence against women and girls, and setting out a series of priorities for a new government. Tackling VAWG is a now clear priority for the incoming Labour government with civil society organisations and LEF grant partners well-placed to engage. SLT, in a coalition campaign with others in the VAWG sector, secured a commitment to protect women and girls in the Online Safety Bill. Ofcom is now required to develop guidance for tech companies to reduce harm to women and girls. SLT is working to ensure online stalking is included in this guidance.

Public Law Project has developed and launched a unique Tracking Automated Government (TAG) Register documenting where automated decision-making is being used. It currently covers 55 automated tools, of which only 1 is classed as high transparency. Their work on the use of AI was featured in an Economist film, and the Government's response to a consultation on AI regulation includes a requirement on departments to use the Algorithmic Transparency Recording Standard, as PLP had advised.

A series of grants since 2019 have supported civil society in all four nations to engage and respond to changes in the constitutional, legal and governance context instigated by Brexit and to develop coordination between organisations across the UK. In March, the Welsh Governance Centre led the annual convening of this network at a Four Nations Civil Society UK Summit in Cardiff.

Racial justice

An analysis of our Fairer Systems grants in 2023 showed that while some of our grant partners work on racial justice, this represented only a small proportion of their work. We wanted proactively to do more to support organisations that were primarily targeting systemic racism and organisations with black-led leadership. In the short term, we set out to identify, encourage to apply, and support organisations through the application process, and over the mid to long term we will seek to develop

a cluster of organisations covering constitutional and HR issues with regard to racial justice with the aim to feed into ongoing government processes, commissions and reviews.

Outreach work from summer 2023 to the end of the year included a series of meetings with funders and organisations, more regular exchange in the LEF team and JTI around PCI, sharing experiences and input from other funder networks and initiatives such as the Funders for Race Equality Alliance on anti-racist funder practices.

This led to a series of grant awards at our Spring 2024 round, focused on where organisations are using the law to challenge practice on racial justice in public sector organisations. Funding awarded is as flexible as possible or core. An additional development is that in conversations we identified organisations who are looking to develop more strategic litigation work on racial justice and saw the LEF as a potentially important partner in this development. This means that there is potential to work with these organisations along with other LEF grant partners and Justice First Fellows.

We would like to develop more relationships with organisations on policy and organising and supporting work to coordinate efforts around specific issues. We are also exploring collaborating in pooled funds on racial justice.

Policy convening for grant partners

We held our first policy convening event for grant partners with Martha Spurrier, former Chief Executive of Liberty, at the end of May. This hybrid event was attended by over 30 organisations, and the discussion covered challenges and opportunities in engaging with parliamentarians and lessons learned on influencing government. We are holding a series of events throughout the summer and autumn including a follow-up workshop with Martha in late July on working with parliamentarians, and two workshops with think tank Bright Blue on working with the Conservatives, as well as a session led by Just Fair to convene a sub-group of partners working on economic and social rights. This pilot of policy convenings was developed in response to partner requests for greater engagement and information sharing from funders. We are looking to develop and expand this offer over the coming year.

New Fairer Systems grants awarded in 2023-2024

In the year to June 2024, the Foundation made the following new grants to organisations under the Fairer Systems programme.

Organisation	Description	Amount	Term (months)
Action for Race Equality	Increasing and strengthening the Windrush Justice ecosystem by building policy capacity at the grassroots level, and supporting engagement with policymakers. Part of a cluster of grants on racial justice.	£125,000	24
Criminal Justice Alliance	Supporting Criminal Justice Alliance's work to reduce racial inequality in the justice system. Part of a cluster of grants on racial justice.	£125,000	36
Economic, Social and Cultural Rights in the UK (Just Fair)	Supporting Just Fair to inform and hold to account decision-makers across the UK on their economic social and cultural rights (ESCR) obligations, develop the capacity of others to do the same, and build a movement of people and communities working for improved ESCR protections and access to justice, across the UK.	£90,000	24

The Constitution Unit (University College London)	Supporting research and analysis and convening a forum of research-based organisations to promote high constitutional standards among policymakers, media and the general public.	£209,968	22
The Centre for Progressive Change	Funding the Safe Sick Pay Campaign Senior Organiser, who will work alongside affected workers, businesses and a range of civil society groups within key local constituencies in England and Wales to influence key MPs, ensuring the successful implementation of long-needed reforms to the UK's statutory sick pay system.	£50,000	12
Human Rights Consortium	Supporting the work to protect and promote the Belfast/Good Friday Agreement and the Article 2 powers of the Windsor Framework, working to enhance human rights legislation in Northern Ireland and campaigning to incorporate and comply with international human rights standards.	£230,000	36
Maternity Action	Challenging the lack of procedural fairness in the administration of the NHS visitor and migrant cost recovery programme through strategic, evidence based public law challenges and influencing work which centres lived experience.	£120,000	24
openDemocracy	Supporting scrutiny and investigation into the suppression of legal rights in the UK, engaging directly with the communities affected and working to increase public understanding of the real-world impact of recent legislation, and working to influence change.	£80,000	18
Public Law Project	Supporting PLP's core area of work towards fairness, legality, and accountability in public law, focussing on enhanced constitutional accountability, increased transparency and fairness in government use of tech, and improved access to justice.	£300,000	36
Scottish Women's Aid	Scoping phase: Scoping potential models for the delivery of legal service provision for victim-survivors of domestic abuse in rural and island communities in Scotland.	£40,000	4
UNJUST CIC	Supporting research, advocacy and litigation that challenges racial discrimination in policing, through collaborating with impacted communities and human rights organisations. Part of a cluster of grants on racial justice.	£157,152	36
Welfare Benefits Unit	Undertaking a national level scrutiny of Targeted Case Reviews: a process due to impact two million Universal Credit claimants in the next five years.	£181,643	24

Smarter Justice: An enduring commitment to learning and evidence in the justice system.

Work by the Foundation from 2015 onwards identified challenges and opportunities for taking forward an evidence-based approach within the civil justice system. The launch of the £1bn digital court programme in 2016 created a particular opportunity to influence this government initiative towards collecting better data and evidence, and this became a major focus of the Foundation's work between 2017 and 2023. This work was brought together under the banner of the Justice Lab and led to success in raising the profile of this question amongst relevant public and Parliamentary bodies, and to the establishment of new data governance approaches for justice and courts data. In June 2023, the Trustees reviewed the progress made by the Lab and decided that its operations would in future be integrated and taken forward through the Foundation's grant making. The resources and reports that the Lab produced continue to be available online. We will use the remaining period of the current strategy to explore how we will develop our future work on data and evidence in the next strategy.

This year, two grants have been awarded under the Smarter Justice programme.

Organisation	Description	Amount	Term (months)
The Femicide Census	Supporting the annual gathering, analysis and distribution of unique data on women killed by men, and working to ensure this data drives improvements in the protection of women and contributes to broader legal and policy change.	£100,000	36
Policy in Practice	Working with Coventry City Council and Central England Law Centre to explore using administrative benefits data to understand the impact of legal support in improving housing and social welfare outcomes among low-income populations.	£147,130	8

Grant-making process and practice

Open and Trusting

We reflect carefully on our practice as a funder, seeking to develop trusting relationships with our grant partners. As part of this work, we have joined with over 100 other grant makers in signing up to the eight commitments contained in the Open and Trusting grantmaking campaign launched by the Institute for Voluntary Action Research and London Funders. The commitments are:

Don't waste time	Be open
Ask relevant questions	Enable flexibility
Accept risk	Communicate with purpose
Act with urgency	Be proportionate

We have made progress on shifting our funding practice to make longer term, more flexible grants and to make our programmes more accessible and open to a wider pool of organisations. We have successfully reduced the number of unsuccessful applications at first and second stage by making our guidelines clearer and spending more time speaking to organisations before and during the application and assessment process.

We publish all our grants data on 360 Giving.

We continue to place an emphasis on our work being rooted in people's lived experience of social injustice. We have received a higher number and proportion of applications from new organisations that we have not previously funded. Continuing the trend from previous rounds, at our Spring 2024 round over three quarters of 1st stage applications were from organisations we have not previously funded. This compares to 45% average across the current strategy. This reflects the proactive work we have done to reach out to new organisations, particularly those working on racial justice.

Wellbeing

We recognise that the people working in our grant partner organisations have to find ways to survive and uphold values and principles in the context of extreme challenges and difficulties. The principal mechanism for us to support them is grants, and the work identified above to strengthen our commitment to long term, core funding is key to this. However, this year, we wanted to look in more specific ways at measures to support staff wellbeing. For our Spring 2024 grants, we automatically

provided an additional £5,000 uplift to awards for grant partners to use on organisational and/or individual wellbeing activities. In July this year we will hold an event for partners to share information and ideas of how the funding could be spent. We are aware of similar initiatives by other funders, such as Esmée Fairbairn Foundation, and are exploring the potential for shared learning.

The main aim of the pilot is to understand how to build wellbeing support into the Foundation's new strategy. Specifically, we want to understand:

- Grant partners' views on the broad approach taken to supporting wellbeing (ringfenced funding rather than additional contribution to core);
- Grant partner's views on the process;
- How grant partners have used the funds and any challenges;
- Early indications of what has happened/ changed as a result of the funding;
- What other support grant partners receive on organisational resilience and wellbeing, and the scope to align our approach with that of other funders and whether a more joined-up approach would be valued.

Investing for Social Justice

This year, the board has instigated a new programme of work to align our investment strategy more closely with our mission. Up to this point, the Foundation's approach to investment had been to invest funds and to use the returns to support grant programmes and operations. Whilst there has been a closer focus on Environmental, Social and Governance (ESG) considerations within our investments, the investment strategy had not connected directly with our wider mission. It meant we were missing opportunities for using our investment assets, alongside our grants and direct work, to bring about our goals. We were conscious too of the justified wider scrutiny of funder practice to ensure investments are not undermining or contradicting mission and values. We felt there was an opportunity to take forward a more unified strategy.

For the Foundation, the Social in ESG connects particularly closely with our mission. ShareAction, a charity that works with investors to harness the power of investments for environmental and social improvements, summarises the range of topics covered by S as follows:

Symbol	Topic	Sub-topics	Symbol	Topic	Sub-topics
	Diversity and inclusion	Board-level diversity and inclusion, investee company-wide diversity and inclusion		Disclosure of social data	Gender pay gap, ethnicity pay gap
	Supply chain due diligence	Supply chain due diligence		War and security	Controversial weapons, conventional weapons, conflict-affected and high-risk areas
	Public health	Alcohol, pollution, gambling, human nutrition, tobacco, access to medicines, vaccine equity, antimicrobial resistance, quality of housing, high-cost debt/financial wellbeing		Labour rights	Freedom of association and collective bargaining, discrimination and harassment, grievance mechanisms and access to remedy, modern slavery and forced labour, child labour, workplace safety, workplace mental health, living wage, executive remuneration
		Alcohol		Data privacy	Data privacy
		Pollution		Indigenous rights and FPIC	Indigenous rights and FPIC
		Human nutrition			
		Tobacco			
		Access to medicines, vaccine equity, antimicrobial resistance			
		Quality of housing			
		High-cost debt/financial wellbeing, gambling			

Some of these areas relate to principles of good corporate citizenship, such as diversity and inclusion, public health, war and security, disclosure of social data and data privacy, where good performance promotes overall progress on issues that are relevant to social justice. Others connect more directly with the Foundation's focus on the specific role of law in promoting social justice, for example, protecting and extending labour rights, meeting legal obligations in supply chains such as the Modern Slavery Act, ensuring safe working conditions and ensuring non-discrimination. For the Foundation, we would additionally draw out areas such as digital technology, in particular automated decision making, being developed in line with rule of law principles of transparency, accountability and protection of rights. These are all areas where the Foundation has active and expert grant partners.

We have a lot to learn as we take this work forward. To help us, we have joined the Charities Responsible Investment Network and benefited already from the support from the team there and the other foundation members.

We have also joined Share Action's Good Work Coalition which brings together investors to engage companies to promote good work standards including the living wage, tackling insecure work and action on diversity and inclusion.

Another key relationship for us in this work is with our fund managers Sarasin & Partners. Their expertise and commitment to ESG investing was a major factor in the board deciding to appoint them as our new managers in 2021, and we are now engaging with them more closely to better understand their approach to company selection, reporting of stewardship and application of ESG criteria and monitoring of sin industries.

This work is being carried out under the banner Investing for Social Justice and it will involve (i) extending direct engagement with companies around improving performance in the Social category (ii) considering divestment when company engagement does not result in meaningful progress towards better performance on Social criteria and (iii) engaging with wider work to shape the policy and regulatory environment in favour of improved performance on Social criteria. A particularly exciting dimension to the work is engaging our existing grant partners who have expertise in these areas where our investments may provide a new tool to exert influence.

Communications

We recognise the importance and power of good communications in delivering our vision, mission and strategy. Our current communications activities are delivered via a combination of internal capacity and external consultancy around key goals and outputs.

Work carried out by and funded by the Foundation has been covered widely across mainstream television and radio outlets, in newspapers including The Times, The Guardian, a wide range of local press, trade press and on social media.

This year, we have consciously boosted our communications capacity and expertise in the staff team and board. We now distribute a comprehensive monthly newsletter for staff and trustees and a more regular social media presence. In June 2024, we appointed consultants William Joseph to work with us on ensuring communications are at the heart of our work to operationalise our new strategy and be fully integrated with our grantmaking, collaboration, learning and influencing. We want our external communications to better reflect our work and where we are going as an organisation. We will also be redeveloping our website ahead of the launch of our new strategy.

JUSTICE COLLABORATIONS

The Foundation's subsidiary charity, Justice Collaborations (charity number: 1187441), provides a vehicle for hosting joint programmes with other foundations. The first Justice Collaborations programme is the Justice Together Initiative (JTI).

JTI is a ten-year collaborative programme with a vision that people who use the immigration system can access justice fairly and equally, so that they can get on with their lives. Its mission is to build a community of people and organisations with diverse backgrounds, strengths, and experience to transform access to justice in the UK immigration system. Through grant-making and collaboration, we are connecting lived experience, front-line advice and influencing strategies to create lasting change. Since the Initiative was established, the war in Ukraine and the cost-of-living crisis have further exacerbated the pressures on providers.

JTI funding is being distributed through open grant rounds, phased across regions and devolved nations. Funding is long term and includes costs of management support, staff care and embedding anti-racism strategies. Grant partners funded by the programme are shaping the community of impact created by the scheme, connecting regularly to share intelligence, tackle shared issues and build stronger action for change. JTI aims to fund in a way that seeks to bolster the health, dynamism, sustainability and influencing capacity of the sector over the next decade. By the end of June 2024, JTI had supported 41 main grant partners and 81 Partner organisations with funding over £15million. Grants are available under two themes:

1. Influencing - these grants support organisations to build influencing capacity, such as through hiring community organising and influencing staff (with a focus on those with lived experience of the immigration system).
2. Advice and representation - these grants support organisations to develop more capacity to deliver more, and better quality, advice services. This can be through hiring new advice staff, with a particular focus on those with lived experience, upskilling existing staff, and entering into partnerships with networks of local organisations to develop advice strategies.

Alongside this funding, JTI also supports grant partners through a Community of Impact that provides workshops and training designed to build capacity and networks. There is an explicit anti-racist element to JTI's work, along with an aim to increase the numbers of people with lived experience working in the sector. This is reflected in the decision making for the programme as a whole which is governed by a grants committee with the majority of its members having personal lived experience of the immigration system.

Learning work carried out by independent consultants has captured the value grant partners place on the thoughtful, expert and relational way in which the JTI staff team work with - and support - the grant partners. This has enabled grant partners to develop a sense of partnership and build trust with JTI, and to raise any issues with staff openly.

There has also been demonstrable and concrete progress towards the Initiative's goals:

Goal 1: A more just and equitable immigration system

Influencing capacity has been built through the funding of increased staff posts. There is also evidence that organisational understanding of strategic litigation and strategic communications and messaging has increased as a result of JTI's support. Grant partners have worked together on a number of key immigration policy issues and had success despite the difficult political and policy context.

Goal 2: Immigration organisations are more sustainable, better networked and more representative of the communities they serve

Grant partners have strengthened and developed their capacity through JTI's funding and support. They have more paid staff, attracted further funding (beyond JTI funding), and staff have gained new skills and qualifications. Grant partners have also developed stronger, wider networks as a result of being part of the Initiative including wider formal partnerships with other local migration sector organisations; stronger local and grassroots partnerships; and an increased ability to refer between organisations. Moving towards a more professionalised approach with better qualified staff and greater capacity has enabled grant partners to be more strategic in their approach to tackling local and national issues.

Across both Goals 1 & 2, greater numbers of people with lived experience are being employed: We funded 21 Influencing positions, 20 of which have been taken up by people who have lived experience of the immigration system. We have funded 52 legal advice posts, all of whom are specialists (OISC level 2 and above). 32 of these advisors and lawyers have lived experience of the immigration system.

Goal 3: More people are able to secure justice

Progress here is reliant on progress being made towards outcomes in Goals 1 & 2. In particular, improved referral routes, increased numbers of staff, and enhanced access to supervision, training and well-being support for staff are intended in the medium-term to increase people's access to good quality, timely legal advice and support. The evidence in this report of progress towards these outcomes, therefore, suggests that headway is also being made towards Goal 3.

From January – December 2023, 9,598 people were advised by our grant partners receiving specialist immigration advice. (this number represents the number of people advised by Justice Together funded advice posts, for grant partners that have had a least one full year of funding).

There is also further evidence of progress towards this goal: the number of people grant partners anecdotally report as being able to access support has increased, and the quality of the advice and support they are able to offer has improved. However, it is difficult to robustly quantify this increase, as grant partners collect the data in different ways. It is clear that grant partners are operating in an exceptionally challenging context, and questions about the sustainability of the work are very pressing – they would like JTI to hold open conversations about the plans for future funding and sustainability. JTI has done a significant amount of thinking, reflecting and strategising about its work and practice – communicating and discussing this further with grant partners and funders would be welcomed.

2025-2030 STRATEGY DEVELOPMENT

Alongside the ongoing delivery of all our work set out above, we have devoted time to developing a new strategy for 2025-2030. This has involved extensive reflection, research and discussions with the board, within the staff team, with grant partners and the wider field.

Our work has also been greatly helped by our independent advisory group which has met regularly since June 2023. Panel members bring a particular focus on frontline and lived experience of social justice work and have provided input and advice to the staff team and Trustees, helping us to reflect, learn and gather insights that are making practical differences to how the Foundation's funding will be distributed and the nature of the work prioritised. The members of the group are:

- Farida Elfallah, Associate Solicitor in the Scottish Refugee & Migrant Centre, and Justice First Fellowship alumna.
- Fazilet Hadi, Head of Policy at Disability Rights UK, and a Non-Executive Director at Cambridgeshire Community Services NHS Trust.
- Avila Kilmurray, Migration and Peacebuilding Executive at The Social Change Initiative, and member of the Foundations for Peace Network and the Expert Advisory Committee of the Institute for Integrated Transitions.
- Chrisann Jarrett MBE, CEO of We Belong, Trustee of the Queen's Commonwealth Trust and member of UCL Policy Lab Advisory Council.
- Alexander Lyons, consultant, trainer and facilitator in diversity, inclusion, culture and communications.
- Deniz Ugur, Deputy Director of the End Violence Against Women Coalition and Trustee of the New Economics Foundation.

Organisational developments

This year, three members of our board moved on: Monica Risam, Hetan Shah and Jonathan Freeman. We are grateful to them all for the important contributions they each made to the Foundation. Barbora Bukovska, Senior Director for Law and Policy at ARTICLE 19, and Rebecca Gray, CEO of Maudsley Charity and former Director of Communications and Information at the Kings Fund joined the board this year. Barbora has joined our Grants & Learning Committee. Rebecca has joined the Investment Committee and is chairing a special trustee group focused on our communications.

Four members of staff moved on this year: Simon Davey, Tracey Gyateng, Clare Johns and Nikki Letley. We wish all of them very well. Both Clare and Nikki were part of the original team of College of Law staff who played such important roles in helping the Foundation make the successful transition from law school to charitable trust. We welcomed eight new staff Anna Béar - Communications Officer, Chantal Cross - Human Resources Projects Manager (fixed term), Paresh Dodhia - Head of Finance, Sarah Fullegar - Senior Operations and Governance Officer, Hannah Hajee-Adam - Grants Officer, Joy Matthew - Grants Officer, Annie Rockson - Community of Impact Manager on the Justice Together Initiative and Sara Salehzehi - Operations Assistant. All of them are very welcome and are already making great contributions to the team. This takes the number of staff in the organisation, including our subsidiary, to 27 people, 11 of whom are part time.

We have also benefitted from the support of consultants Lena Baumgartner, Matt Howgate, Shauneen Lambe, John Mulligan and Martha Spurrier who work with us bringing specific areas of expertise and networks. We are very grateful to them for their work with us, our grant partners and Justice First Fellows.

We have continued to invest in our organisational structures and systems to ensure the Foundation operates efficiently and effectively and supports our commitment to relational grant-making. This year saw continued focus on our digital and IT systems with work across cyber security, our internal administrative systems and IT infrastructure. We have continued updating our HR policies and pay and benefits structure to ensure we are an excellent employer with an open and inclusive culture. Our investment in internal communications is part of creating strong connections between people across the organisation particularly as, like lots of organisations, we embrace the advantages of hybrid working in ways that support the energy and drive of our colleagues.

This year we carried out a governance review of our subsidiary Justice Collaborations and have recently begun a similar review of the Foundation as a whole. This is a timely opportunity, ten years into our life as a Foundation, to reflect on our governance and its role in driving our work as a social justice funder.

Our Risk Register is used actively by our Senior Management Team and board to monitor risk and monitor the impact of mitigating actions.

We have strong financial systems and procedures that underpin sound management of our finances, investments and the College of Law Pension and Assurance Scheme (COLPAS). COLPAS is now chaired by a professional Trustee.

Foundation priorities for 2024-2025

The Foundation will:

- Conclude our work under the 2020-2025 strategic plan. Applications to our Stronger Sector and Fairer Systems programmes will be considered in one open round in Autumn 2024 and one closed round for existing grant partners in early 2025.
- Continue to deliver and develop the Justice First Fellowship programme.
- Continue to host the Justice Together Initiative.
- Undertake proactive collaboration, grantmaking and advocacy in wider pursuit of our strategic objectives.
- Develop further the Foundation's use of communications in engaging with the field.
- Continue to strengthen operations to ensure the Foundation works efficiently and effectively.
- Develop further the Foundation's practical progress on Power, Culture and Inclusion.
- Complete operational planning for the launch of the 2025-2030 strategy.

It is clear from the scale and scope of the work described in this report that while we operate in what can seem like a bleak environment, there remains a great deal of positive energy and commitment among communities and within the sector to use the law as a tool to promote social justice. Staff and Trustees of the Foundation are consistently impressed by the creativity and compassion demonstrated by the organisations with whom we partner and fund, often working in very challenging circumstances.

As we progress into the second decade of the Foundation, Trustees acting as custodians of our asset base, are considering how best to allocate our resources – where, how much, for how long - to encourage and enable effective use of the law as an ally not a threat. In partnering with those most affected by injustice we hope to support their voice and facilitate opportunities for positive responses in law, policy and practice.

On behalf of the Board, I want to thank our staff, led so ably and with vision by our CEO Matthew Smerdon, together with the range of advisors, consultants and friends of the Foundation for their insights, time and effort in seeking to secure a more just and fair society across the UK. To my colleagues on the Board, I am grateful for your advice and guidance and your tolerance as we deliver

current strategic aims and establish new priorities that reflect changing times and will guide us through the next five-year period.

Paddy Sloan
Paddy Sloan (Oct 31, 2024 16:11 GMT)

Paddy Sloan (she/her)
Chair

FINANCIAL REVIEW

Results for the Period

The Financial Statements for the period are set out on pages 49 to 76. These show that the Group had a total expenditure of £16.2 million for the year (£13.8 million in 2023), with net expenditure before investment gains of £5.9 million (£2.0 million in 2023).

The equivalent figures for the Foundation on a standalone basis are a total expenditure of £12.3 million for the year (£11.2 million in 2023), with net expenditure before investment gains of £5.0 million (£5.8 million in 2023). All of the Foundation Group's assets are held for the purpose of meeting the Foundation and its subsidiary's charitable objects.

There were no significant financial events during the year that impacted the Foundation's strategy for meeting its objectives. The investment asset allocation of the Capital Fund is based on being able to deliver a real return of 3.5% per annum over a period of seven or more years.

Over the full twelve months to 30 June 2024, the Foundation's investment portfolio generated a return of +11.9% (2023: -6.2%). During the period, there was a rise in both equity and bond markets, positively impacting the returns in the portfolio compared to last year.

More information is contained in the Investment Management and Performance section of this report.

Principal funding sources

The principal source of funds for the Foundation is the return on the Capital Fund. In addition, the Foundation has been awarded restricted grants from other organisations to the value of £617k (£152k in 2023) in the year.

The principal source of funds of the Foundation's subsidiary is restricted grants from other charitable foundations and organisations (2024: £4.3 million; 2023: £8.0 million).

Cash flow and cash levels

The Foundation's investment strategy is constructed on a total return basis. The Foundation is entirely funded from its investments and grants from other organisations.

In the financial year to 30 June 2024, £9.5 million (£9.8 million in 2023) was taken from the Capital Fund for grant and operational expenditure.

Cash balances in the Foundation as at 30 June 2024 were £4.8 million (£4.4 million in 2023). In 2024, £3.6 million (£3.5 million in 2023) of this sum was earmarked for future grant commitments.

A further part of the Foundation's working capital is held in a portfolio of sterling, investment grade, short dated corporate bonds. The value of these bonds is included in Current Asset Investments (note 9) at a market value of £5.3 million as at 30 June 2024 (£5.0 million in 2023). It is the intention to hold each bond until its maturity.

In addition, cash balances in the subsidiary as at 30 June 2024 were £3.4 million (£6.1 million in 2023).

The Governors have noted that liquidity levels are projected to remain adequate for all operational and currently planned grant expenditure purposes.

Treasury management

Treasury activities are undertaken under defined procedures, which are approved by the Finance, Audit and Risk Committee, with advice from the Investment Committee when required. The Foundation aims to maximise its return on any liquid funds mostly through short term corporate bonds, referred to above, and short-term fixed deposits subject to the proviso that these deposits are only placed with financial institutions whose credit ratings meet standards approved by the Investment Committee. During the year these remained as being institutions with an AA long-term credit rating or an institution defined by HM Government as systemically important.

Pensions

Although the Foundation sold the legal education and training operation of The College of Law on 30 November 2012 it has retained employer responsibility for the College of Law Pension and Assurance Scheme (COLPAS) which is a defined benefit scheme. It was closed to new entrants in 2019 and closed for future accrual of service by active members as from 31 August 2021.

The most recent full Triennial Actuarial Valuation of COLPAS as at 1 July 2021 showed a surplus, on the Statutory Funding Basis, of £23.2 million. The COLPAS Trustees have been continuing a Liability Driven Investment Strategy with the objective of reaching a full buy-out basis over the medium term. Its assets are invested in bought-in annuities, gilts, leveraged gilts, corporate bonds, asset backed credit, private credit and cash. No assets are held in equities.

The Foundation uses four measures of pension scheme valuation. The Scheme Actuary has extrapolated figures from the last full Actuarial Valuation, together with actual data where known, to provide the figures set out below:

Basis	30 June 2024		30 June 2023	
	Funding %	Surplus/(Deficit) £Million	Funding %	Surplus/(Deficit) £Million
Statutory Funding	104	9.0	102	3.3
FRS102 Valuation	105	6.7	116	14.3

The Governors are in discussion with the Trustees of COLPAS with a view to working towards a buy-out and wind up of the scheme in the medium term. The Finance, Audit and Risk Committee are currently at an exploratory stage with the Trustees of COLPAS who are engaging with a variety of external advisers to ensure the scheme is in the best position to approach insurers for buy-out quotations. The Finance, Audit and Risk Committee will be considering a suite of options during 2024/25 which will form the basis of a proposal to the full Board of Governors.

Reserves policy

It is the Governors' policy to maintain the Fixed Asset Investments, otherwise known as the Capital Fund, at £200 million in real terms based on 30 November 2012 and for the Fund to provide a sustainable amount for grant and other expenditure purposes each year over the long term. At 30 June 2024 the value of the Capital Fund was £289.0 million (2023: £271.3 million) compared to a target maintained real value of £300.8 million (2023: £272.3 million).

The general funds, after deducting the pensions liability, are the free reserves of the Foundation. The balance on restricted funds at 30 June 2024 was £4.8 million (£6.5 million in 2023).

Group Foundation

	£000's	£000's
Total Funds	291,509	285,817
Less: Restricted Funds	(4,825)	(3)
General Funds	286,684	285,814
Less: Amount held for Pension Liability	(1,797)	(1,797)
Free Reserves	284,887	284,017

It is the Governors' policy that the free reserves should increase to reach the value of the Capital Fund over the long term. The pension liability (£1.8 million; see note 14) is expected to reduce as a result of payments over a period of more than 10 years the Governors do not consider that any immediate action to reduce the current shortfall is required.

The Governors and the Finance, Audit and Risk Committee monitor the level of reserves throughout the year by reference to forecasts provided to them which include calculations and commentary on reserve levels.

INVESTMENT MANAGEMENT AND PERFORMANCE

Investment policy

The Foundation's investment policy is intended to provide long term stability and liquidity sufficient to maintain the real value of the Capital Fund after transferring funds for grant and other expenditure each year.

The Foundation's Investment Policy Statement sets out the parameters within which the Investment Committee and Investment Advisers must operate to do this.

The Governors have approved a grant and operational expenditure budget of £9.514 million for the Foundation for the period to 30 June 2025. This sum will be taken from the Capital Fund during the year.

Investment policy statement

The Investment Policy Statement covers the following main areas:

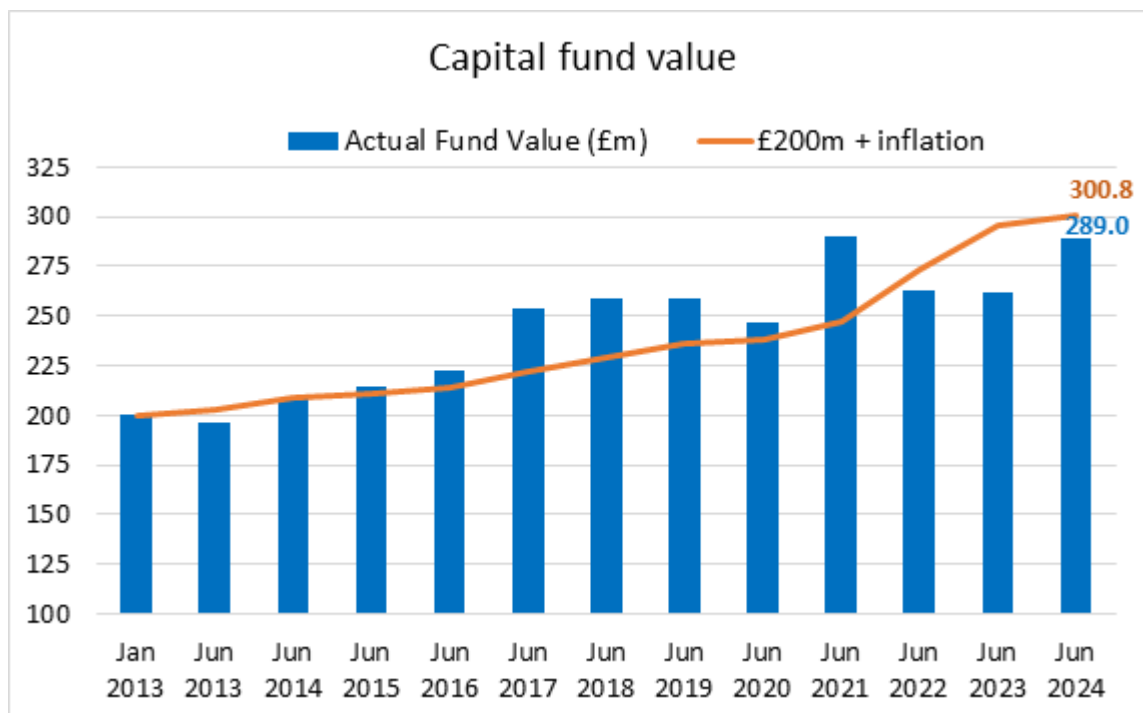
- The intention over the medium term to maintain the real value of the Capital Fund.
- The aim to provide over the long-term an annual sum equal to 3.5% of the Capital Fund for grant and operational expenditure.
- The Foundation's attitude to risk.
- The Foundation's commitment to responsible investment.
- The strategic asset allocation.
- Liquidity requirements.
- The Investment portfolio is to be managed on a total return basis.

Investment Performance

Over the full twelve months to 30 June 2024, the Foundation's investment portfolio generated a return of +11.9% (2023: -6.2%). During the period, there was a rise in both equity and bond markets, positively impacting the returns in the portfolio. This rally was prompted by a deceleration in inflation, resilient corporate earnings amid stable economic growth, and the growth in artificial intelligence-related stocks, which the portfolio had exposure to.

The graph below shows the actual value of the Capital Fund compared to the amount that would be required to maintain its real value. It should be noted that the capital fund's value at 30 June 2024 has recovered since 2022, it remains slightly below the inflation index. The period since its creation is 11 years and it is likely that there will continue to be volatility in future years.

The Foundation was advised by its previous investment manager, Cambridge Associates, that returns over the next ten years are expected to be lower than in the past owing to the relatively high level from which valuations of growth assets start: this is something Sarasin & Partners concurred with on appointment.



The table below shows the performance of the investment portfolio against the long-term target.

Performance Over (annualised)	Portfolio Return 2024 %	Portfolio Return 2023 %	Inflation 2024 %	Inflation* 2023 %	Over/ (Under) 2024	Over/ (Under) 2023
1 Year	5.5	5.5	2%	6.1	-0.4	-0.4
3 Years	6.6	6.6	6.8	6.7	0.0	0.0
Since Inception (2013)	6.7	6.7	3.4	3.3	+3.1	+3.1

* RPI used until 31.12.21 then changed to CPI

Asset allocation

The following table sets out the position of the portfolio as at 30 June 2024, together with a comparison to the benchmark and the ranges within which we allow Sarasin & Partners to operate:

Asset Classes	30.06.24	Strategic Benchmark	Tactical Tilt	Operating Parameters (Low to High)
Cash	3.2	0	3.2	0 to 10
Fixed Income	6.6	10	-3.4	0 to 20
Global Equities	79.9	75	4.9	60 to 90
Property	3.5	5	-1.5	0 to 10
Alternatives	6.9	10	-3.1	0 to 20
Total	100	100		

The alternatives assets are invested in reasonably liquid specialist investment vehicles, which result in exposure to, amongst other things: commodities, private equity, private debt, debt & equity-oriented infrastructure, renewable energy and hedge funds.

Environmental, social and governance factors in investments

The Foundation has confirmed its commitment to the environmental, social and governance (ESG) agenda in its investment policy. This year, the board has instigated a new programme of work to align our investment strategy more closely.

One of the Foundation's reasons for appointing Sarasin & Partners was their leadership in a range of ESG initiatives and the transparency of their reporting on their activities. We are now engaging with them more closely to better understand their approach to company selection, reporting of stewardship and application of ESG criteria and monitoring of sin industries.

For more information see page 25 for Investing for Social Justice Holdings.

An analysis of the Capital Fund holdings is provided at note 7 on page 60.

Mjellinek Tudenham Gelhorne prize fund

The Legal Education Foundation has responsibility for a Charitable Trust-based student prize fund. The fund was established through the merger of three funds which were created a number of years earlier when its name was The College of Law and it had an education and training operation. The Governors of the Foundation are the Trustees of the Fund.

The purposes of the fund, as updated in 2015, are:

"To provide from the income of the investments, a Prize to be awarded annually or upon such other occasions as the Board granted to a student of law at Guildford (or such other location proved for this purpose by the Board) nominated by the University of Law (or its successor as an operator of its education business if approved for this purpose by the Board, failing which the prize may henceforth been awarded by the Board to any student of law)."

The University of Law are informed of the funds available for a prize each year. They provide the Foundation with the prize winner's details in order that the payment can be made directly to the winner.

The Fund is invested in a segregated CCLA account – COIF Charities Investment Fund.

£500 is to be disinvested from the fund for the prize awarded in the year. At 30 June 2024, the value

of the fund is £35,412.66 (30 June 2023: £31,806.60).

Statement of Governors' Responsibilities

The Governors are responsible for overseeing the preparation of the Annual Report and Accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Foundation and of its incoming resources and application of resources for that period. In preparing these financial statements the Governors are required to:

- Select suitable accounting policies and then apply these consistently.
- Observe the methods and principles in the Charities Statements of Recommended Practice (SORP).
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable 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 Foundation will continue in existence.

The Governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the Foundation's by-laws. They are also responsible for safeguarding the assets of the Foundation and consequently for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors confirm that:

- So far as they are aware there is no relevant audit information of which the Foundation's auditor is unaware
- They have taken all steps that they believe they ought to have taken as Governors and Trustees in order to make themselves aware of any relevant audit information and to establish that the Foundation's auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

RISK MANAGEMENT

Overall

The Trustees are responsible for identifying, managing and monitoring the risks facing the organisation and for mitigating these risks so as to arrive at an acceptable risk appetite.

A Risk Register is maintained that lists and ranks all identified risks via a traffic light system. The register shows gross and net risk for each identified item of risk, mitigations which are already in place and identifies any further action required and who is responsible for that action.

The Governors review the risk register at every meeting and the Foundation's Senior Management Team uses the Risk Register as a key tool, regularly reviewing risks and the implementation of mitigating actions.

Principal residual risks

The Governors consider the following to be the principal residual risks and ensure that appropriate mitigations are in place and are monitored.

Operational	Inadequate cyber security protections in place lead to data corruption/loss, introduction of malware/ransomware, and data protection breach
Operational/ External	Hate driven activity leads to physical threat or social/mainstream media content targeting Trustees, staff and/or grant partners
External	Significant changes occur in the constitutional, legislative and / or regulatory environment in which the Foundation operates that restricts our ability to deliver our strategic objectives
Governance	Trustee body does not reflect diversity in terms of skills, protected characteristics or lived expertise which leads to poor decision making and loss of credibility

GOVERNANCE

Governors

The ultimate control of the Foundation is vested in the Governors who are also the Foundation's Trustees. They are appointed by the Members of the Foundation. Day-to-day control of the Foundation is exercised by a management team led by the Chief Executive who is appointed by the Governors. The Governors normally meet five times during the year, with additional meetings taking place if necessary. The Governors devote each meeting to considering strategic issues in addition to receiving update reports from the Chairs of each committee and a progress report from the Chief Executive.

The Governors undertook a review of their effectiveness during the previous year and decided that, in order for them to devote more time to strategy development and monitoring, further responsibilities should be devolved to the committees.

The Foundation's financial regulations specify authorisation limits for budget holders, with material transactions being approved by the Governors or committees. In addition, formal treasury policies are in place.

Following the merger of the Audit and Finance & General Purposes Committees, the Governors now have four committees to oversee, monitor and approve actions on the major areas of the Foundation's activities and responsibilities. The terms of reference of each committee are reviewed

on a regular basis to ensure that they remain appropriate to the Foundation's needs.

The Governors take steps to ensure that they work as an effective team, using the appropriate balance of skills, experience, backgrounds and knowledge to make informed decisions. They can access independent professional advice, such as legal or financial advice, at the Foundation's expense if needed.

The Governors and those who served as such at any time during the financial year, together with details of their committee memberships as at the approval date, 10 October 2024, are shown on page 99. Further details on each Governor can be found on our [website](#)

Recruitment of Governors

A skills audit of the Board of Governors is undertaken on a periodic basis to identify the skills needed in order for the Foundation to be able to consider, monitor and approve its Strategic Plan. Recruitment and re-appointment of Governors is based on this need.

When considering the recruitment of a Governor, a Committee of Governors decide the most appropriate recruitment method to use. Normally this is by recruitment consultants advertising the role and inviting applications. The Committee then considers a long list of candidates and selects a shortlist of applicants for interview before making a recommendation to the full Board. This role was carried out by the Nominations and Remuneration Committee until December 2023. Since December 2023 an ad hoc committee chaired by the Chair of the Foundation performs this role.

The Foundation aims to recruit Governors with diverse backgrounds and skills.

Induction and training of Governors

New Governors are provided with an induction programme during which they have the opportunity to meet with the key management personnel and the Secretary. They are also made aware of:

- the responsibility of Trustees
- the Foundation's Constitution
- the latest financial statements
- the committees and decision-making processes
- the plan for meeting the Foundation's Object
- the Foundation's risk register
- the Foundation's charity governance checklist.

Training requirements are identified as part of the skills audit review and a programme of training for the following year is considered by the Nominations Committee annually.

Charity Governance Code

The Foundation is committed to best practice in governance. The Audit Committee undertook a review of compliance with the Charity Governance Code in July 2021. The results of the review confirmed that the Foundation and its subsidiary continued to comply with the Charity Governance Code.

The Foundation continually reviews ways to further improve its governance and focusses on the areas of the code where this can best occur.

The Justice Together initiative, run by Justice Collaborations, has been developed with a commitment to equity and human rights, inclusion and anti-racism at its core. It has a dedicated Anti-Racism Working Group and has worked with an expert consultant to develop its anti-oppression aims.

Conflicts of interest

The Foundation's conflicts of interest policy requires Governors, executives and advisers to declare any interest which could give rise to conflict of interest. They are required to exempt themselves from all relevant decisions which may involve a transaction with a related party or in which they may have a conflict of interest although they can take part in general discussion on the area concerned at Governors' meetings. At Grants and Learning Committee meetings, members of the Committee are required to recuse themselves from both discussion and decision when an item on which they are conflicted is being discussed.

Fundraising

The Foundation has not entered into contracts with central or local government to deliver services nor has it received grants from central or local government. All restricted funds have been received from other charitable organisations or law firms. It does not raise funds from the public and therefore has not subscribed to any fundraising standards or scheme for fundraising regulation.

The Foundation is aware of the regulations and has nothing further to disclose under the provisions of section 13 of the Charities (Protection and Social Investment) Act 2016.

Committees

Investment Committee

The Investment Committee normally meets four times a year. In addition to the Governor Members there is one professionally qualified external member.

Its terms of reference include overseeing the implementation of the Investment Strategy Policy and monitoring investment performance and recommending the amount to be made available to the Foundation for grant and operational expenditure each year.

Finance, Audit and Risk Committee

The Finance, Audit and Risk Committee usually meet four times a year.

In addition to the Governor Members there is a professionally qualified accountant external member. The Chair has a finance background. The auditors, who regularly attend the meetings, also have a separate meeting with the committee once a year without any Foundation staff present. The Foundation's Chair is a de facto member of the committee.

The terms of reference of the committee include:

- a critical review of the annual report and financial statements prior to submission to the Governors for approval;
- monitoring the effectiveness of the internal control systems and reviewing risk management policies, systems and the Risk Register;
- considering the appointment, resignation or dismissal of the external auditors;
- reviewing and approving budgets, forecast and other financial projections;
- pension matters;
- property matters;
- reserves policy; and
- such other matters as are referred to it by the Governors.

The committee makes a written report on its compliance with its terms of reference and on internal controls and the risk register to the Governors on an annual basis.

Approval of remuneration and benefits for staff is the responsibility of the Finance, Audit and Risk Committee following the disbandment of the Nominations Committee.

The committee has responsibility for overseeing matters and approvals relating to the College of Law Pension and Assurance Scheme.

Grants and Learning Committee

The Grants and Learning Committee normally meets at least twice a year. It also takes decisions on individual grants by email between meetings and it receives regular updates throughout the year.

The committee oversees the implementation of the policy and criteria agreed by the Governors for the award of grants, considers each application for grants of over £40k, and makes recommendations to the full governing body for any awards of over £350k. The committee has delegated authority to the Executive to award individual grants of up to £40k with a maximum total amount of all such grants in any one year of £300k. A report on each of these grants is made to the committee and each grant is reported to the Governors at their next meeting.

The committee is also responsible for monitoring progress against the Foundation's research and learning strategy and its policy and public affairs strategy and reporting on these to the Governors. It reviews and approves the planned annual work plans for each of these areas of activity for the coming year.

The committee receives a report at each meeting providing an analysis of each final grant monitoring report which summarises activities and lessons. A separate report is made to each meeting regarding any grantee at risk.

Staff Remuneration

Remuneration of senior management has previously been decided following detailed advice from recruitment and remuneration consultants and is benchmarked on a periodic basis. Annual cost of living increases are approved by the Finance, Audit and Risk Committee.

Governors and Senior Personnel

The Governors and those who served as such at any time during the financial year, together with details of their committee memberships as at 30 June 2024, are shown in the following table.

Committee membership

Governors	Grants and Learning	Investment	Finance, Audit and Risk	First Appointed	Current Appointment Completed
Barbora Bukovská	Y			14.12.2023	AGM 2026
Tamsin Evans		Y	Y	24.01.2023	AGM 2026
Rebecca Gray		Y		14.12.2023	AGM 2026
Vivek Luthra		Chair	Y	26.02.2020	AGM 2025
Alison Pickup (Vice Chair)	Y			04.07.2018	AGM 2024
Rupen Shah			Chair	19.02.2021	Resigned June 2024
Paddy Sloan (Chair)	Chair			26.10.2020	AGM 2026
Alex Temple	Y			07.07.2021	AGM 2024
James Wolffe				30.11.2022	AGM 2025

In addition:

Kirsty Garrison is a professional accountant external member of the Finance, Audit and Risk Committee. David Haysey is a professional investment external member of the Investment Committee. Cullagh Warnock is an external member of the Grants and Learning Committee.

Key Management personnel:

For the purposes of compliance with the Charities SORP, Key Management personnel are identified as the Trustees, Matthew Smerdon (Chief Executive) and the Senior Management Team (comprising of the Director of Grants and Learning, Director of Operations, Director of Strategy and General Counsel).

A full list of all current staff members can be found on the Foundation's [website](#).

Acknowledgements

The Governors would like to thank the Foundation's staff and external advisors for their great commitment to the Foundation's vision, mission and values.

Approved by the Board of Governors on 10 October 2024.

Paddy Sloan
Paddy Sloan (Oct 31, 2024 16:11 GMT)

Paddy Sloan

Chair

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNORS OF THE LEGAL EDUCATION FOUNDATION

Opinion

We have audited the financial statements of The Legal Education Foundation (the 'parent charity') and its subsidiary (the 'group') for the year ended 30 June 2024 which comprise the Consolidated Statement of Financial Activities, the Statement of Financial Activities of the Individual parent charity, the Group and parent charity Balance Sheets, the Consolidated Statement of Cashflows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and charity's affairs as at 30 June 2024 and of their incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditors under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- sufficient accounting records have not been kept by the parent charity; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 35, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework, that the group and parent charity operates in and how the group and parent charity is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Charities Act 2011, the parent charity's governing document, the Royal Charter and the Foundations By-Laws. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

There were no significant laws and regulations that were considered to have an indirect impact on the financial statements.

The audit engagement team identified the risk of management override of controls and recognition of donation income as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates and reviewing recognition of donation income in line with the SORP criteria.

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP 28.10.24
RSM UK Audit LLP 28.10.24 (Oct 28, 2024 14:50 GMT)

RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
Davidson House
Forbury Square Reading
Berkshire RG1 3EU

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2024

		2024	2024	2024	2023	2023	2023
	Not	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	e	£'000	£'000	£'000	£'000	£'000	£'000
Income:							
Investments	2	6,253	71	6,324	4,939	-	4,939
Donations and legacies	2	-	4,010	4,010	-	6,657	6,657
Other	2	-	-	-	296	-	296
Total income		6,253	4,081	10,334	5,235	6,657	11,892
Expenditure on:							
Raising funds (investment management costs)	5	1,164	-	1,164	919	-	919
Charitable activities	5	8,733	5,815	14,548	9,680	2,772	12,452
Other	5	498	-	498	475	-	475
Total expenditure	5	10,395	5,815	16,210	11,074	2,772	13,846
Net (expenditure)/ income before investment gains and losses		(4,142)	(1,734)	(5,876)	(5,839)	3,885	(1,954)
Net gains/(losses) on investments	7,9	25,973	-	25,973	7,946	-	7,946
Net income/ (expenditure)		21,831	(1,734)	20,097	2,107	3,885	5,992
Other recognised gains and losses:							
Actuarial loss on defined benefit pension scheme	14	(8,043)	-	(8,043)	(27,255)	-	(27,255)
Restriction of movement on pension scheme asset	14	8,121	-	8,121	27,449	-	27,449
Net movement in funds		21,909	(1,734)	20,175	2,301	3,885	6,186
Reconciliation of funds							
Total funds brought forward	13	264,775	6,559	271,334	262,474	2,674	265,148
Total funds carried forward		286,684	4,825	291,509	264,775	6,559	271,334

The Statement of Financial Activities includes all gains and losses recognised in the year. The notes on pages 52 to 75 form part of these financial statements.

Statement of Financial Activities of the individual parent charity for the year ended 30 June 2024

		2024	2024	2024	2023	2023	2023
	Note	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
		£'000	£'000	£'000	£'000	£'000	£'000
Income:							
Investments	2	6,253	-	6,253	4,939	-	4,939
Donations and legacies	2	-	617	617	-	152	152
Other	2	383	-	383	296	-	296
Total income		6,636	617	7,253	5,235	152	5,387
Expenditure on:							
Raising funds (investment management costs)	5	1,164		1,164	919	-	919
Charitable activities	5	9,986	617	10,603	9,680	152	9,832
Other	5	498		498	475	-	475
Total expenditure	5	11,648	617	12,265	11,074	152	11,226
Net expenditure before investment gains and losses		(5,012)	-	(5,012)	(5,839)	-	(5,839)
Net gains/(losses) on Investment	7,9	25,973	-	25,973	7,946	-	7,946
Net income/ (expenditure)		20,961	-	20,961	2,107	-	2,107
Other recognised gains and losses:							
Actuarial loss on defined benefit pension scheme	14	(8,043)	-	(8,043)	(27,255)	-	(27,255)
Restriction of movement on pension scheme asset	14	8,121	-	8,121	27,449	-	27,449
Net movement in funds		21,039	-	21,039	2,301	-	2,301
Reconciliation of funds:							
Total funds brought forward	13	264,775	3	264,778	262,474	3	262,477
Total funds carried forward	13	285,814	3	285,817	264,775	3	264,778

The Statement of Financial Activities includes all gains and losses recognised in the year. The notes on pages 52 to 75 form part of these financial statements.

Balance Sheet as at 30 June 2024

		Group 30 June 2024	Foundation 30 June 2024	Group 30 June 2023	Foundation 30 June 2023
		£'000	£'000	£'000	£'000
	Note				
Fixed Assets					
Fixed asset investments	7	289,005	289,005	267,631	267,631
		289,005	289,005	267,631	267,631
Current Assets					
Debtors	8	6,792	906	6,988	1,142
Current asset investments	9	6,398	5,357	8,494	8,494
Cash at bank and in hand		8,213	4,774	6,975	852
		21,403	11,037	22,457	10,488
Creditors due within one year	10	(11,193)	(8,829)	(11,530)	(8,247)
Net current assets		10,210	2,208	10,927	2,241
Total assets less current liabilities		299,215	291,213	278,558	269,872
Creditors due after more than one year	11	(5,909)	(3,599)	(5,339)	(3,209)
Net assets excluding pension liabilities		293,306	287,614	273,219	266,663
Pension liability	14	(1,797)	(1,797)	(1,885)	(1,885)
Net assets		291,509	285,817	271,334	264,778
Funds					
General funds		288,481	287,611	266,660	266,660
Less: pension liability	14	(1,797)	(1,797)	(1,885)	(1,885)
General funds after pension liability		286,684	285,814	264,775	264,775
Restricted funds	13	4,825	3	6,559	3
Total funds	13	291,509	285,817	271,334	264,778

Approved and authorised for issue by the Board of Governors on 10 October 2024.

Paddy Sloan
Paddy Sloan (Oct 31, 2024 16:11 GMT)

P Sloan (she/her)
Chair of Governors

The notes on pages 52 to 75 form part of these financial statements.

Consolidated statement of cashflows for the year ended 30 June 2024

	Note	30 June 24 £'000	30 June 23 £'000 Restated
Cashflows from operating activities	19	(10,878)	(8,222)
Cashflows from investing activities:			
Investment income		153	29
Disinvestment to fund operating activities		9,475	7,050
Net capital addition to investments		(11)	(590)
Net cash provided by investing activities		9,617	6,489
Change in cash and cash equivalents in the reporting period		(1,261)	(1,733)
Cash and cash equivalents at the beginning of the reporting period		10,515	12,248
Cash and cash equivalents at the end of the reporting period		9,254	10,515
Analysis of cash and cash equivalents:			
Cash at bank and in hand		8,213	6,975
Current asset investments		1,041	3,540
Total cash and cash equivalents		9,254	10,515

NOTES TO THE ACCOUNTS

1. Accounting policies

a. Principal policies

The financial statements of the charity, registered in England and Wales, which is a public benefit entity under FRS 102, are prepared under the historical cost convention as modified by the revaluation of investments and in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102), the 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 United Kingdom and Republic of Ireland (FRS102) (effective 1 January 2019) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the second edition of the Charities Statement of Recommended Practice issued in October 2019 applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The functional currency of the Foundation is GBP (sterling). The legal status of the Foundation is that of a Royal Charter Charity.

The accounting policies and estimation techniques have been applied consistently from prior years. A review of the Foundation's activities is set out in the Governors' Report on pages 4 to 31. A review of the financial position of the Foundation, its cash flows, liquidity position and investment position are set out in pages 32 to 34. The Foundation produces an annual business plan and the Governors are satisfied that the Foundation can meet its operational plans from its own resources.

The Foundation has considerable liquid financial resources and it also has no borrowings. As a consequence, the Governors believe that the Foundation is well placed to manage its operating risks successfully and is a going concern.

The Foundation, through its Investment Committee, reviews at each meeting the credit rating of all institutions with which it deposits funds and also reviews the portfolio for credit risk.

The charity has taken advantage of the exemptions in FRS 102 from the requirements to present a charity only cash flow statement and certain disclosures about the charity's financial instruments.

b. Basis of consolidation

The consolidated statement of financial activities, the consolidated balance sheet and the consolidated cash flow statement included the financial statements of the Foundation and its subsidiary undertaking (Justice Collaborations) up to 30 June 2024, using the line by line

method. Intra group transactions are eliminated fully on consolidation. The total and net income for the Foundation for the year are shown on page 49.

c. Income

Investment income comprises income from investment funds, fixed income bonds, short term fixed deposits and cash funds. Interest on deposits and cash funds is recognised on an accruals basis. Dividends are recognised from the ex-dividend date when they become receivable.

Donation and legacy income comprises restricted funds received from external donors for specific programmes as disclosed in note 13. This income is recognised when the organisation is entitled to the income, receipt is probable, and the amount can be reliably measured.

d. Investment assets

Investments are initially recognised at cost and valued at closing market prices ruling at the balance sheet date which give rise to unrealised gains and losses during the period. These amounts are included under “net gains/(losses) on investment” in the Statement of Financial Activities, which also reflects the difference between the net proceeds from sale of investments and mid-market value at the previous period end.

Net liquid resources comprise cash held in deposit accounts as part of long-term investment planning.

e. Tangible fixed assets

All tangible fixed assets costing over £5,000 are capitalised. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life.

Depreciation is charged when an asset is brought into use at the following rates: Furniture and equipment: 20-50% of cost per annum.

Assets that are impaired in value are written down to their impaired value.

f. Leases

Operating lease expenses are charged to the Statement of Financial Activities over the life of the lease on a straight-line basis.

g. Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Raising funds

This heading includes the investment management costs, the cost of any other advice relating directly to the investment portfolio and an allocation of staff time in dealing with the Foundation’s investments on a day-to- day basis.

Charitable activities

The costs under this heading are further split between grants, grant-making and research, other direct costs and governance in note 5. Staff costs are allocated to these subheadings based on an estimate of time spent on each activity.

Grants are charged to the Statement of Financial Activities when the award is communicated

to the recipient and thereby a constructive obligation arises.

Grant-making and research costs include costs of research commissioned and/or carried out by the Foundation, grantee events, costs directly associated with the Justice First Fellowship and Future Advice programmes and an allocation of staff time spent on grant awarding and monitoring.

Other direct costs include office rent and expenses, IT maintenance and website development, insurance and an allocation of staff time spent on support functions including bookkeeping and statutory reporting.

Governance costs include costs of audit fees and costs associated with the functions of the Governors and the cost of the external advisor to the Committees.

Other

The costs in this heading are explained fully in note 5.

h. Going concern

The Governors have reviewed the Foundation's forecasts and projections covering a period that exceeds twelve months from the date of signing these financial statements and based on the levels of available cash, commitments made by funders and having taken into account economic conditions, the Governors are satisfied that the Foundation has adequate resources to continue in operation for the foreseeable future. Accordingly, the going concern basis has been used in preparing these financial statements.

i. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the Balance Sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the Statement of Financial Activities.

j. Fund accounting

The Foundation has various types of funds for which it is responsible, and which require separate disclosure. These are as follows:

Restricted funds

Donations or legacies received, or income arising from such, which are earmarked by the donor for specific purposes. Such purposes are within the overall aims of the Foundation.

Unrestricted funds

Funds are expendable at the discretion of the Governors in furtherance of the objects of the charity. In addition to expenditure on grants, such funds may be held in order to finance capital investment and working capital.

k. Pension costs

For the defined benefit scheme, the amount charged to resources expended is the current service costs. Past service costs/gains are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs/gains are recognised over the period until vesting occurs. The interest cost and the expected return on the assets are also shown under the relevant category of resources expended. Actuarial gains and losses are recognised immediately in the Statement of Financial

Activities.

The assets of the defined benefit scheme are held separately from those of the Foundation, in separate pension Trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities.

Where there is a surplus in the funded scheme, this is considered irrecoverable as the Governors consider it cannot currently be recovered against future service costs or by future refund. Therefore, a restriction is applied to the surplus to exclude it from the balance sheet.

Following the closure of the Defined Benefit scheme to future service accrual from 31st August 2021, a number of staff have joined a group self-invested pension plan from 1st September 2021. Contributions to this scheme are charged to the Statement of Financial Activities as they are incurred.

l. Value added tax

Expenditure is stated gross of irrecoverable value added tax (VAT).

During 2020, the Foundation formed a VAT group with its subsidiary, Justice Collaborations, and hence is jointly and severally liable for amounts owed by any member of that VAT group in respect of unpaid VAT.

m. Tax status

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable trust for UK corporation tax purposes.

Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

n. Provisions

Where contracts become onerous, full provision is made for the estimated future costs of the contract. Consideration is given to whether discounting future cash-flows would have a material impact and the provision is calculated accordingly.

o. Related party transactions

Transactions with related parties are disclosed in the notes to these financial statements. The Foundation's policy is for Governors, Executives and advisers to declare their interest and exempt themselves from all relevant discussions and decisions which may involve a transaction with a related party or in which they may have a conflict of interest. Details of related party transactions are included in note 16.

p. Financial instruments

Financial assets and liabilities are recognised on the Foundation's balance sheet when the Foundation becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are recognised at cost less any relevant impairment for estimated irrecoverable amounts.

q. Significant judgements and estimates

The Foundation, in preparing its accounts, makes judgements and estimates concerning the future that have a significant effect on the amounts recognised in the accounts in regard to two main areas.

Judgements:**Onerous lease**

The lease was re-assigned on 9 April 2019.

Note 17 provides further information regarding the current position and judgements which have been made regarding potential future liabilities associated with the lease.

Estimates:**Pension scheme**

The key assumptions used for FRS102 are agreed by the Foundation on advice from the Scheme Actuary and are listed in note 14.

2. Income	Group		Foundation	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Investment Income				
Income from investment funds	6,027	4,748	6,027	4,748
Interest on bonds	156	162	156	162
Bank Interest	141	29	70	29
	6,324	4,939	6,253	4,939
Voluntary Income				
Grants	4,010	6,657	617	152
Other Income	-	296	383	296
Total Income	10,334	11,892	7,253	5,387

Incoming grants are all allocated to restricted funds. Details are shown in note 13.

3. Transactions with Governors and External members of Committees

	2024	2023
	Foundation	Foundation restated
No of Governors claiming expenses in the year	2	2
Total expenses claimed	£3,465	£1,086
The Governors do not receive any remuneration		
	2024	2023
	Foundation	Foundation
	£'000	£'000
Amounts paid to external advisors to Governors	27	28

4. Net income/(expenditure)

	2024	2023
	£'000	£'000
Net income/(expenditure) for the year is stated after charging:		
Operating Leases – Rent of Land and Buildings:		
Foundation only	-	43
Fees payable for services provided by the auditor and the auditor's related entities (including irrecoverable VAT):		
Auditor's Remuneration RSM UK Audit LLP:		
Foundation	40	35
Justice Collaborations	17	16
All other non-audit services:		
Foundation	-	6

5. Analysis of total expenditure

Group	Staff		Total	Total
	Costs	Other	2024	2023
	£'000	£'000	£'000	£'000
Raising funds				
Investment management costs	35	1,129	1,164	919
Charitable activities				
- Grants		11,620	11,620	9,246
- Grant-making and research	947	623	1,570	1,565
- Other direct costs	538	596	1,134	1,521
- Governance	72	152	224	120
	1,557	12,991	14,548	12,452
Other				
Pension scheme management costs		400	400	395
Other pension scheme charges		98	98	80
	-	498	498	475
	1,592	14,618	16,210	13,846

Foundation	Staff Costs £'000	Other £'000	Total 2024 £'000	Total 2023 £'000
Raising funds				
Investment management costs	35	1,129	1,164	919
Charitable activities				
- Grants		7,920	7,920	6,794
- Grant-making and research	947	425	1,372	1,489
- Other direct costs	538	577	1,115	1,471
- Governance	72	124	196	78
			-	
	1,557	9,046	10,603	9,832
Other				
Pension scheme		400	400	395
Other pension scheme charges		98	98	80
	-	498	498	475
	1,592	10,673	12,265	11,226

A breakdown of grants awarded during the year is given in note 15 and is referred to in the Governors' Report.

Other pension scheme charges

Details of the costs of the defined benefit pension scheme and unfunded pension are provided in note 14.

6. Staff costs

	2024 £'000 Group	2024 £'000 Foundation	2023 £'000 Group	2023 £'000 Foundation
Wages and salaries	1,177	1,177	1,235	1,235
Social security costs	132	132	127	127
Pension costs	172	172	168	168
	1,481	1,481	1,530	1,530
Temporary staff costs	50	50	5	5
Other Employee Benefits	61	61	52	52
	1,592	1,592	1,587	1,587

Termination payments of £14,965 were made to 2 persons (2023: £32,000 to 1 person).

The number of employees earning in excess of £60,000 per annum, including their taxable benefits, in bands of £10,000 were:

	Group 2024 No.	Group 2023 No.
£60,001 - £70,000	-	1
£70,001 - £80,000	-	2
£80,001 - £90,000	2	-
£120,001 - £130,000	1	2

The above amounts include as appropriate salary, medical insurance costs and employee contributions to pension schemes made through salary sacrifice.

During the years ended 30 June 2024 and 2023, all five of the staff included in the salary banding table above were active members of the defined contribution pension scheme.

The average number of employees, analysed by organisation, was:

	2024 No.	2023 No.
Foundation	19	17
Justice Collaborations	4	3

The average full-time equivalent number of employees in the Group was 20.5 (2023: 18).

Remuneration of key management personnel

Key management personnel are deemed to comprise the Trustees, and Senior Management Team, comprising the Chief Executive, Director of Grants & Learning, Director of Operations, Director of Strategy and General Counsel.

Their aggregate remuneration in the current year including pension benefits was £384k (2023: £507k).

Ratio of highest to lowest salary costs

Reflecting our focus on pay transparency and in line with NCVO guidance, the ratio between the highest salary (2024: £130k, 2023: £129k) and the median salary (2024: £50k, 2023: £51k) in the Group is 2.60:1, (2023: 2.48:1). The ratio of the top salary to the lowest as at 30 June 2024 was 3.71:1 (2023: 3.68:1). These calculations are based on Full Time Equivalent salaries before pension salary sacrifice adjustments.

7. Fixed asset investments: Group & Foundation

Market value at 30th June	2024 £'000	2023 £'000
Pooled funds		
Growth driver funds	-	5,531
Diversifier funds	-	51
Fixed income	19,013	26,876
Equities	230,888	191,113
Property	9,975	10,569
Alternatives	19,947	27,669
Cash/liquid assets	9,182	5,822
	289,005	267,631

The investment portfolio was held solely in a range of managed pooled funds until September 2021. Following the appointment of Sarasin & Partners as investment managers the majority of the holdings in pooled funds were sold and the proceeds transferred to Sarasin's to invest on behalf of the Foundation. This was completed in 2023-24.

Reconciliation of opening & closing market values	2024 £'000	2023 £'000
Market values as at 1 July	267,631	262,654
Additions at cost	117,594	115,561
Disposals at cost	(137,573)	(126,417)
Increase Investment cash	3,780	3,772
Investment gains/(losses)	37,573	12,061
Market value of investments as at 30 June	289,005	267,631
Historical cost of investments at 30 June	254,104	270,304

Reconciliation of movements in unrealised gains on investment assets

	2024 £'000	2023 £'000
Unrealised (losses)/gains at 1 st July	(2,672)	(14,733)
Movement in the year	37,573	12,061
Unrealised gains /(losses) at 30 th June	34,901	(2,672)

8. Debtors	2024	2024	2023	2023
	£'000	£'000	£'000	£'000
	Group	Foundation	Group	Foundation
Other debtors	77	77	26	26
Onerous lease	-	-	10	10
Amounts due from charity subsidiary	-	96	-	92
Tax and social security	-	-	20	20
Prepayments and accrued income	6,715	733	6,932	994
	6,792	906	6,988	1,142

9. Current asset investments	2024	2024	2023	2023
	£'000	£'000	£'000	£'000
	Group	Foundation	Group	Foundation
Cash and cash deposits	1,041	-	3,540	3,540
Short-dated bond portfolio	5,357	5,357	4,954	4,954
	6,398	5,357	8,494	8,494

Gains on the short-dated bond portfolio in the year were £278k (2023: losses £224k). The previous year saw volatile conditions in fixed interest markets as the Bank of England raised the base rate eight times, from 1.25% to 5%, to bring inflation under control. Prices of bonds fell across the maturity spectrum. In contrast, the current financial year has been one of relative calm. The base rate was raised from 5% to 5.25% on 2 August 2023 and remained there for the remainder of the accounting period. Increased demand for corporate and financial bonds has led to a year of outperformance versus government bonds and this is reflected in the portfolio performance which grew 8.3% (2023: -2.45%)

10. Creditors due within one year	2024	2024	2023	2023
	£'000	£'000	£'000	£'000
	Group	Foundation	Group	Foundation
Amount due to charity subsidiary	-	1,565	-	765
Grants payable	10,403	6,542	10,998	6,918
Other creditors	202	179	248	244
Tax and social security	40	40	-	-
Accruals	548	503	284	320
	11,193	8,829	11,530	8,247

11. Creditors due after more than one year

	2024 £'000	2024 £'000	2023 £'000	2023 £'000
	Group	Foundation	Group	Foundation
Grants payable	5,909	3,599	5,339	3,209

12. Analysis of net assets between funds

Group	Unrestricted Funds £'000	Restricted Funds £'000	Total 2024 £'000	Total 2023 £'000
Fixed assets	289,005	0	289,005	267,631
Current assets	11,034	11,160	22,194	22,457
Liabilities <1 year	(7,959)	(4,025)	(11,984)	(11,530)
Liabilities >1 year	(5,396)	(2,310)	(7,706)	(7,224)
	286,684	4,825	291,509	271,334

Foundation	Unrestricted Funds £'000	Restricted Funds £'000	Total 2024 £'000	Total 2023 £'000
Fixed assets	289,005	-	289,005	267,631
Current assets	11,034	3	11,037	10,488
Liabilities <1 year	(8,829)	-	(8,829)	(8,247)
Liabilities >1 year	(5,396)	-	(5,396)	(5,094)
	285,814	3	285,817	264,778

13. Funds

Movements in funds - Group

	At 1.7.23 £'000	Movement in funds £'000	At 30.6.24 £'000
General funds	266,660	21,821	288,481
Funds excluding pension liability	266,660	21,821	288,481
Unfunded pension liability	(1,885)	88	(1,797)
	264,775	21,909	286,684
Restricted funds	6,559	(1,734)	4,825
Total funds	271,334	20,175	291,509

Movement in funds - Foundation	At 1.7.23 £'000	Movement in funds £'000	At 30.6.24 £'000
General funds	266,660	20,951	287,611
Funds excluding pension liability	266,660	20,951	287,611
Unfunded pension liability	(1,885)	88	(1,797)
	264,775	21,039	285,814
Restricted funds	3	0	3
Total funds	264,778	21,039	285,817

Restricted Funds	At 1.7.23 £'000	Income £'000	Expenditure £'000	At 30.6.24 £'000
Foundation				
- Justice First Fellowship	3	617	(617)	3
Justice Collaborations				
- Justice Together Initiative	6,556	3,464	(5,198)	4,822
Less: grant awarded by parent to subsidiary				
Consolidated Group total	6,559	4,081	5,815	4,825

Justice First Fellowship

Information on the Justice First Fellowship is included in the Governors' Report on page 17. The majority of the funders of this programme have agreed to fund a specific host or hosts in a given year.

Justice Collaborations

The grants awarded to Justice Collaborations are all contributions to the Justice Together Initiative.

14. Pension (liability)/asset Group and Foundation

The Foundation operates a funded defined benefit contributory Pension Scheme providing benefits based on members' final pensionable salary at retirement, death or leaving service. The Scheme was closed to new members during 2019 and closed to accrual on 31st August 2021.

When the defined benefit scheme closed to new members, new staff members were auto enrolled into the NEST scheme. Following the closure of the defined benefit scheme to future accrual, a new Group Self Invested Pension (GSIP) scheme was set up. All staff, of both the Foundation and its subsidiary were members of the GSIP at 30 June 2024.

The defined benefit scheme is a separately constituted trust with member nominated Trustees and Foundation appointed Trustees. Under the Trust Deed the employer decides the benefit structure and the Trustees, on the advice of the Scheme Actuary, decide the required funding rate.

The assets of the Scheme, including purchased annuities, are held separately from those of the Foundation.

This scheme is currently in surplus as calculated in accordance with the FRS102 valuation basis. However, the Governors consider that the surplus cannot currently or in the foreseeable future be recovered against future service costs or by future refund and is therefore excluded from the Balance Sheet.

The charity is aware that the Court of Appeal has recently upheld the decision in the Virgin Media vs NTL Pension Trustees II Limited case. The decision puts into question the validity of any amendments made in respect of the rules of a contracted-out pension scheme between 6 April 1997 and 5 April 2016. The judgment means that some historic amendments affecting s.9(2B) rights could be void if the necessary actuarial confirmation under s.37 of the Pension Schemes Act 1993 was not obtained. Until further investigations have been completed and/or any legislative action is taken by the government, the potential impact if any, on the valuation of scheme liabilities remains unknown.

During the year, the Foundation paid Pension, Life Assurance Contributions and administration costs to the Scheme of £400k (2023: £396k) comprising normal contributions of £400k (2023: £396k) and special payments of £nil (2023: £nil). Contributions totaling £nil (2023: £nil) were prepaid at the year end.

The Foundation maintains responsibility for a legacy unfunded pension which is currently in payment. The Pension Liability shown on the Balance Sheet relates to this pension.

The principal assumptions used for the FRS 102 valuation were as follows:

	2024	2023
	%	%
Discount rate	5.15	5.20
Future increase in RPI	3.20	3.20
Future increase in CPI	2.60	2.50
Retail price Index pension increases		
- max 5%	3.20	3.20
- max 2.5%	2.50	2.50
Future rate of pension increases in deferment	2.60	2.50

It has been assumed that members reaching normal retirement date will exchange 67% of the maximum allowable amount of their pension for cash at retirement. This is based on the post 'A-day' definition of maximum cash.

Mortality assumptions used are in line with 100% of the PxA16 tables based on Members' year of birth, improving in line with CMI 2023 projections with a 1.5% p.a. long-term trend for females and males.

Average expected future life at age 65:

	1 July 2024	1 July 2023
Male currently aged 65	23.2	23.2
Female currently aged 65	25.4	25.3
Male currently aged 45	24.7	24.7
Female currently aged 45	27.1	27.0

The assets in the scheme are:	2024 £'000	2024 £'000	2023 £'000	2023 £'000

Funded scheme

Corporate bonds and gilts	85,794		86,071	
Asset backed credit	1,955		3,492	
Private credit	3,191		3,144	
Purchased annuities	45,122		43,336	
Cash	306		934	
Total market value of assets	136,368		136,977	
Actuarial value of liabilities	(129,696)		(122,693)	
Net surplus in the funded scheme		6,672		14,284

Unfunded pension liability

Actuarial value of liabilities	(1,797)		(1,885)	
Net deficit in the funded scheme		(1,797)		(1,885)
Net surplus in the scheme (funded and unfunded)		4,875		12,399
Less: Irrecoverable pension scheme surplus		(6,672)		(14,284)
Net unfunded pension liability		(1,797)		(1,885)

The total net surplus of the funded and unfunded scheme pension liabilities at 30 June 2024 on the FRS 102 basis was £4.9 million, all of which is considered irrecoverable. The restriction represents the surplus in the funded Scheme which the Governors consider cannot currently be recovered against future service costs or by future refund and is therefore excluded from the Balance Sheet.

The movement in the restricted amount has been charged to the Statement of Financial Activities under the heading other resources expended.

Assets are valued at the bid value. FRS 102 regulations require the expected rate of return on assets to be based on the Discount Rate. The liabilities are valued using a market rate derived from high quality corporate bonds and do not depend upon the assets in which the pension is invested.

The actual return on the Scheme assets in the year was 1.2% (2023: - 32.3%).

Sensitivity of assumptions	2024 %	2023 %
A 0.5% reduction in discount rate	5.1	7.2
A 0.5% increase in price inflation	1.3	3.3
A one-year increase in average age of member on death	3.5	4.2

The above sensitivities show the impact of various changes on the net pension surplus/deficit.

Risk

The Trustees, with the support of the Governors, have continued to take four main steps to reduce risk:

- Purchased annuities for pensions in payment when overall market conditions have been appropriate to do so.
- Followed a liability driven investment policy.
- Hedged against interest rate and inflation fluctuations.
- Do not hold any equities.

Analysis of the amount charged to expenditure

	2024 £'000	2023 £'000
Other costs	688	892
Total operating charge	688	892
Expected return on scheme assets	(7,054)	(7,211)
Restriction on charge relating to funded pension scheme liability	109	683
Interest on pension liabilities	6,355	5,718
Net return	(590)	(810)
Total	98	82

Analysis of amount recognised in the Statement of Financial Activities as actuarial gains and losses

	2024 £'000	2023 £'000
Actual return less expected return on scheme assets	(5,389)	(51,399)
Experience loss arising on the liabilities	(1,161)	(1,097)
Changes in assumptions underlying the present value of liabilities	(1,493)	25,241
Actuarial gains before restriction	(8,043)	(27,255)
Restriction of negative movement on pension scheme asset	8,121	27,449
Actuarial gains	78	194
Cumulative amounts recognised as actuarial losses	(40,745)	(40,823)

Movement in liabilities during the year

	2024 £'000	2023 £'000
Liabilities at the beginning of the year (funded scheme and unfunded arrangements)	124,578	148,240
Movement in the year:		
Interest cost	6,355	5,718
Loss on changes in assumptions	1,493	(25,241)
Experience (gain)/loss on liabilities	1,161	1,097
Experience change in secured pensioner value	417	(1,846)
Benefits paid	(2,511)	(3,390)
Liabilities at the end of the year (funded scheme and unfunded arrangements)	131,493	124,578

Liabilities at the year-end included £1,797k (2023: £1,885k) in respect of unfunded arrangements outside the Scheme. A £21k experience adjustment was made in respect of this arrangement during the year.

Movement in scheme assets during the year

	2024 £'000	2023 £'000
Scheme assets at the beginning of the year	136,977	186,787
Movement in the year:		
Expected return on scheme assets	7,054	7,211
Actuarial loss	(5,389)	(51,399)
Expenses paid by scheme	(688)	(892)
Experience change in secured pensioner value	417	(1,846)
Employer contributions	400	400
Benefits paid directly from scheme assets other than annuities	<u>(2,403)</u>	<u>(3,284)</u>
Scheme assets at the end of the year	136,368	136,977

History of experience gains and losses

	2024 £'000	2023 £'000	2022 £'000	2021 £'000	2020 £'000
Scheme assets	136,368	136,977	186,787	250,706	270,577
Pension liabilities: funded scheme and unfunded arrangements	(131,493)	(124,578)	(148,240)	(208,112)	(207,291)
Net surplus: funded scheme and unfunded arrangements	4,875	12,399	38,547	42,594	63,286
Experience adjustments on scheme assets	(5,389)	(51,399)	(59,589)	(17,620)	29,081
Experience adjustments on scheme liabilities	(1,161)	(1,097)	3,739	1,760	(951)

Contributions payable by the Foundation to the Scheme for the year to 30 June 2024 are £400k. No special payments are planned due to the surplus of £4.9 million in funded Scheme assets at 30 June 2024.

The contributions expected in the year to 30 June 2025 are only in relation to scheme running costs. No contributions are due in relation to staff pensions due to the closure of the scheme to future accrual from 31 August 2021.

15. Grants

Foundation	£000s	No.
Stronger sector – general grants	4,351	24
Stronger sector - Justice First Fellowship	1,434	19
Fairer systems	1,950	16
Smarter Justice	247	2
Financial adjustments and refunds on completed grants	(62)	
	7,920	61
Less: grant award from the Foundation to Justice Collaborations	(870)	
Justice Collaborations	4,570	
Total	11,620	

The details of the new grants awarded in the year are shown on the following pages:

Programme**£000s****Stronger Sector****4,351**

Article 39	4
Asylum Support Appeals Project (ASAP)	170
Child Poverty Action Group (CPAG)	285
Child Rights and Youth Justice CIC	20
Children's Law Centre NI	23
Citizens UK	150
Communities Empowerment Network (CEN)	120
Council of Somali Organisations	9
Housing Rights	23
Inquest	167
Justice Collaborations	870
Law Centres Network	185
Living Rent	141
Lloyds Bank Foundation for England & Wales	10
London Legal Support Trust	530
Rape Crisis Scotland	249
Release	131
Right to Remain	185
Scottish Women's Aid	265
Suffolk Law Centre	197
The Unity Project (TUP)	127
Vauxhall Community Law & Information Centre	155
Work Rights Centre	185
Z2K	150

Justice First Fellowship**1,434**

APPEAL	6
Asylum Aid	117
ATLEU	29
Citizens Advice Bradford & Airedale and Bradford Law Centre	101
Community Law Service (Northampton and County)	96
Derbyshire Law Centre	98
Dundee Law Centre	6
Family Rights Group	1
Hammersmith & Fulham Law Centre	1
Islington Law Centre	129
Joint Council for the Welfare of Immigrants	122
Just for Kids Law	123
JustRight Scotland	3
Luton Law Centre	95
Merseyside Law Centre	128
Norfolk Community Law Service	136

Shelter	111
Tower Hamlets Law Centre	27
Wiltshire Law Centre	105

Fairer Systems	1,950

Action for Race Equality	125
Bureau of Investigative Journalism	20
Community Law Advice Network (CLAN Childlaw)	30
Criminal Justice Alliance	125
Economic, Social and Cultural Rights in the UK (Just Fair)	90
Human Rights Consortium	265
Maternity Action	120
openDemocracy	80
Participation and the Practice of Rights	130
Public Law Project	300
Scottish Women's Aid	40
The Centre for Progressive Change	50
The Constitution Unit (University College London)	210
UNJUST CIC	157
Wales Civil Society Forum	26
Welfare Benefits Unit	182

Smarter Justice	247

Policy in Practice	147
Femicide census	100

Financial adjustments and refunds on completed grants	(62)

Total	7,920

Grants awarded by Justice Collaborations

Organisation	Advice and Representation £000s	Influencing £000s	Total £000s
London	589		589
EERC	150		150
Work Rights Centre	150		150
Migrants Organise Ltd	289		289
East of England	150		150
GYROS (Great Yarmouth Refugee Outreach Support)	150		150
North East	650		650
North East Law Centre	650		650
North West	561		561
Greater Manchester Immigration Aid Unit	561		561
Northern Ireland	220		220
STEP	220		220
Scotland	730		730
Just Right Scotland	220		220
Settled	290		290
Scottish Refugee Council	220		220
Yorks & Humber	275		275
PAFRAS	275		275
Northern Ireland		132	132
Migrant Centre NI		132	132
Wales		150	150
The Bevan Foundation		150	150
National		913	913
Reunite Families UK		99	99
Rights of Women		215	215
Hibiscus Initiatives		165	165
Institute for Public Policy Research (IPPR)		120	120
Women for Refugee Women		165	165

Freedom from Torture	149	149

Infrastructure - National	131

CARAG	7
Migrant Action	20
Asylum Justice	15
Reunite Families UK	19
Settled	5
One stop advice & Training Centre	18
The Harbour project	15
Plymouth Hope	20
New Europeans	2
Asylum Aid	10

Community Justice Fund grants	69

Migrant Centre NI	23
Law Centre NI	23
STEP	23

Total	3175	1195	4570

16. Related party transactions

Justice Collaborations

Transactions with the charity subsidiary: Justice Collaborations

	2024 £000s	2023 £000s
Expenditure recharged (incl staff)	383	283
Grant expenditure	(870)	(1,265)
Amounts owed by charity subsidiary	96	92
Amounts owed to charity subsidiary	(1,565)	(765)

Grantee	Trustee/Key management	Relationship	Grant awarded in the year ended 30.6.24 £000s	Balance outstanding at 30.6.24 £'000s	Grant awarded in the year ended 30.6.23 £'000s
Asylum Aid	A Pickup, Trustee	Director	117	117	-
Settled	J Ang, Trustee	Employee	295	290	13
Women for Refugee Women	R Takens-Milne, Senior Manager	Trustee	165	110	8

*J Ang, a Trustee, was Director of JustRight Scotland to March 2024. A grant of £220k was awarded to JustRight Scotland in the year ended June 2024 which was outstanding at 30 June 2024

None of the above Trustees took part in any discussions or decisions regarding a grant to a party to whom they are related.

17. Contingent assets and contingent liabilities

Group and Foundation:

Onerous lease

There is a contingent liability for the Foundation if the assignee of the lease was unable to meet any liabilities that fall due until the end of the lease in March 2028.

Due to the impact of COVID on the assignee's business, the landlord agreed to defer two quarters rent and an agreement was also reached under which the Foundation agreed to pay the rent due under the lease for the year 2021 on behalf of the assignee. The assignee agreed to repay the Foundation in equal instalments over the 18 months from January 2022. All payments have been made as per the agreement. The amount due to the Foundation at 30 June 2024 was £Nil (2023: £10k and included in debtors (see note 8)).

18. Subsidiary undertaking

Justice Collaborations (registered charity number: 1187441; company registration number: 12328192)

Justice Collaborations was established in 2019 as a registered charity and a company limited by guarantee. It is registered in England and Wales and is a wholly owned subsidiary of The Legal Education Foundation. The Legal Education Foundation is the sole member of Justice Collaborations and the liability of the member is limited to £1.

19. Reconciliation of consolidated net expenditure to net cash outflow from operating activities

	2024 £'000	2023 £'000 restated
Net movement in funds (as per the statement of financial activities)	20,175	6,186
Adjustments for:		
Other recognized gains and losses	(78)	(194)
Net gains/losses on investments	(25,973)	(7,946)
Net expenditure for the reporting period	(5,876)	(1,954)
Adjustments for:		
Investment income	(6,324)	(4,939)
Investment management costs	903	919
(Increase)/decrease in debtors	196	(2,208)
(Decrease)/Increase in creditors	233	(16)
Difference between pension cost charged and contributions paid	(10)	(24)
Net cash used in operating activities	(10,878)	(8,222)

20. Comparative statement of analysis of net assets between funds

Group	Unrestricted Funds £'000	Restricted Funds £'000	Total 2023 £'000
Fixed assets	267,631	-	267,631
Current assets	10,485	11,972	22,457
Liabilities <1 year	(8,247)	(3,283)	(11,530)
Liabilities >1 year	(5,094)	(2,130)	(7,224)
	264,775	6,559	271,334

Foundation	Unrestricted Funds £'000	Restricted Funds £'000	Total 2023 £'000
Fixed assets	267,631	-	267,631
Current assets	10,485	3	10,488
Liabilities <1 year	(8,247)	-	(8,247)
Liabilities >1 year	(5,094)	-	(5,094)
	264,775	3	264,778

21. Comparative statement of movement in funds

Movements in funds - Group

	At 1.7.22 £'000	Movement in funds £'000	At 30.6.23 £'000
General funds	264,577	2,083	266,660
Funds excluding pension liability	264,577	2,083	266,660
Unfunded pension liability	(2,103)	218	(1,885)
	262,474	2,301	264,775
Restricted funds	2,674	3,885	6,559
Total funds	265,148	6,186	271,334

Movement in funds - Foundation

	At 1.7.22 £'000	Movement in funds £'000	At 30.6.23 £'000
General funds	264,577	2,083	266,660
Funds excluding pension liability	264,577	2,083	266,660
Unfunded pension liability	(2,103)	218	(1,885)
	262,474	2,301	264,775
Restricted funds	3	-	3
Total funds	262,477	2,301	264,778

TLEF 2024 Financial Statements Final 1

Final Audit Report

2024-10-31

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Accounts

The Legal Education Foundation

Annual Report & Consolidated Financial Statements

Year to 30 June 2023

Foundation Details

Principal Office

15 Alfred Place
London
WC1E 7EB

Charity Registration Number

271297

Principal Professional Advisers

Independent Auditor
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100 St Paul's Churchyard
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Report of the Governors for the Year Ended 30 June 2023

CONSTITUTION

The Foundation was charity incorporated in 1962 and granted a Royal Charter in 1975. The ultimate control of the Foundation is vested in the Governors who are also its Trustees. They are appointed by the Members of the Foundation who are the current Governors together with those who were Governors within the previous five years and have not resigned as Members.

OBJECTS

The objects of the Foundation, as set out in its Royal Charter, are: 'To promote the advancement of legal education and the study of law in all its branches, and the sound development and administration of law.'

PUBLIC BENEFIT

The Governors confirm that they have referred to the Charity Commission's guidance on public benefit when considering the Foundation's aims and objectives, in planning future activities, and setting its grant-making policy. The information on the following pages, provides more detail on the benefit that the Foundation's activities provide to the public.

STRUCTURE

The Group consists of the Foundation and its wholly owned subsidiary, Justice Collaborations. Justice Collaborations was incorporated on 22 November 2019, is a company limited by guarantee and received charitable status on 17 January 2020. The Trustee Board of Justice Collaborations comprises three Trustees who are also Trustees of the Foundation, the Foundation's Chief Executive and two independent Trustees. Justice Collaborations' Objects incorporate those of the Foundation, but are wider.

KEY DEVELOPMENTS IN THE YEAR

Context

The context we operate in continues to be incredibly challenging for communities and for organisations in the field.

In May 2023, the Joseph Rowntree Foundation reported that 5.7 million households in the UK did not have enough money to buy food and were skipping meals or cutting back on how much they could eat. Four and a half million people were in arrears with essential costs such as rent and household bills. Just under six million low-income families had unsecured debt through personal loans from banks and credit unions, credit cards, overdraft facilities, payday lenders or licensed doorstep loans. Backlogs in access to health and social services increased across all areas particularly in welfare benefits, immigration and asylum. Work funded by the Foundation dating back to 2018, led by Professor Grainne McKeever at the University of Ulster, has shown the role that unresolved legal problems can play in paths to destitution, particularly relating to areas of law such as welfare benefits, housing, debt, employment, immigration, asylum, education and community care. Government decision-making systems for benefits, immigration and family law are increasingly failing those who need to access them, with backlogs and delays worsening over the past year and particularly in recent months.

And yet, the system that supports people to secure their rights and protections faces a resource crisis. In England and Wales, the provider base has shrunk by more than a third since 2012. Most of the country now lacks any local provision for welfare, immigration, community care or education legal advice, and the field faces intense recruitment and retention challenges. Pressures on this workforce are further intensified by the complexity and depth of the issues presented by those seeking help, often as result of reduced access to statutory services. Organisations have to cope with ongoing competition over funding, the challenges of investing in learning and development and lack of management capacity.

This system, and the people working within it, also faces increasing active hostility from certain political and media quarters.

Deeper structural challenges underpin the practical deficits. Upholding fundamental rule of law principles relating to the transparency and accountability of public institutions is increasingly urgent in the current context. The legal and constitutional implications of the decision to withdraw from the European Union continue to be felt in relation to rights and protections. A comprehensive review of the UK's constitutional settlement is also underway, including testing the limits of parliamentary sovereignty and arrangements for the four nations of the UK. Faith in public institutions continues to be challenged, as is the capacity of wider institutions such as the judiciary and civil society organisations to play their essential roles in a functioning democracy. New legislation debated and introduced this year such as The Nationality and Borders Act 2022, The Police, Crime, Sentencing and Courts Act 2022, The Judicial Review and Courts Act 2022, The Elections Act 2022, The Retained EU Law (Revocation and Reform) Act 2023 and the Illegal Migration Act 2023 have profound implications for rights and civic space, as well for the UK's participation in wider rights frameworks such as the European Convention on Human Rights.

We reported last year that the Foundation had received permission from the Charity Commission and the Privy Council to widen our objects to include promotion of the sound development and administration of law. In the light of that, this year the board has adopted revised wording for our vision, mission and values.

Vision

Our vision is of a just and fair society.

Mission

Our mission is to support communities to use the law to improve their lives and the lives of others.

Our values are:

Trust - We trust our partners, valuing their lived and learned experience, supporting them to make their voices heard, and seeking to be a trusted voice ourselves.

Mutuality - We stand with those taking action to bring collective benefit, and we collaborate and build partnerships with them to accelerate change.

Inclusion - We aim to challenge the systems and structures, including our own, that perpetuate oppression, discrimination, inequity and exclusion. We are clear about our mission and how we decide to use our resources.

Courage - We use the freedom of our independence to confront injustice, and to be energising in supporting work over the long term that will bring about real change.

Reflection - We recognise the complexity of the issues we are tackling and the importance of listening and increasing understanding. We learn from those affected, and we share robust evidence about what is working and how this can be used elsewhere.

We recognised that the current descriptions of these values are principally outward-facing and work is underway with our colleagues to define how these values are reflected inside our organisation and how we will be held to account on living these values.

Strategic objectives

Three programme objectives are driving our work from 2020 to 2025:

- Stronger Sector: Training and support for a thriving social justice legal sector
- Fairer Systems: Transparency, accountability and the protection of rights
- Smarter Justice: An enduring commitment to learning and evidence in the justice system.

Grants awarded in 2022-23	No	£'000s
Stronger Sector	15	2,838
Justice First Fellowship	19	1,974
Fairer Systems	10	1,524
Total	44	6,336

Stronger Sector: Training and support for a thriving social justice legal sector

Programme	The Stronger Sector programme offers funding for organisations using the law, legal tools and strategies to promote social justice. In December 2022, we revised the funding guidelines for the Stronger Sector programme to reflect our wider charitable objects. Grants can support provision of legal advice or training, and charitable campaigning to protect, promote or develop the law to meet the needs of communities. We are especially interested in how the law can be used to build power in communities that have been historically oppressed. We provide funding for staff costs, direct costs such as travel, subsistence or events, overheads, and small capital items such as IT equipment. In delivering these activities, we welcome collaborations between organisations. We also recognise the role of second-tier organisations (which support other organisations instead of people directly) in developing co-ordinated responses. In many areas, the practical work funded by the programme is informing policy and advocacy work that is successfully influencing wider public policy and public funding locally and nationally.
Anticipated outcomes	• Improved availability, appeal and sustainability of careers in social justice law. • A cohort of legal organisations that are effective and sustainable. We are interested in the broad pathways organisations have for pursuing these outcomes, so the grants we make under this programme are flexible.
Key context	• Research commissioned by the Community Justice Fund found that the free legal advice sector faces a £30 million funding gap in 2023-24, with over 40,000 people who are the most impacted by the cost-of-living crisis potentially going without the advice and assistance they need. • Direct funding cuts are being experienced by organisations from central and local government public sector funding schemes. Many organisations are also suffering from the end of the European Structural Fund programme. Where organisations are being funded, it is for shorter periods of time. Independent funders report they are heavily oversubscribed. • The Solicitor's Qualifying Exam (SQE) route to becoming a solicitor has now been fully introduced. This is the new centralised way to qualify as a solicitor in England and Wales. It will eventually replace the Legal Practice Course (LPC) route to practice. The January 2023 exam results showed a lower-than-expected pass rate, with potential implications for the scheme's aim of creating a more accessible and easier route to qualifying. This has prompted fears that some organisations will withdraw from offering the route. Other concerns about the route include pressure on already limited training contracts. • The pace and scale of legislative reform continues to make it hard for organisations to ensure training materials and frontline advice are kept up to date. Keeping abreast of changes also takes up internal capacity which is already stretched to breaking point. • Legal Aid Agency (LAA) practice continues to put a high administrative burden on organisations, and sector contract holders often struggle to appoint supervisors who meet the stringent criteria set by the LAA.

	Charities and community groups in our field have faced higher demands for help, increases in the cost of providing support at the same time as inflation is eroding the value of grants, contracts, reserves and salaries. Organisations tell us that recruitment and retention of staff is at a crisis point.
Snapshots of progress towards outcomes	- Greater flexibility in how we fund is allowing organisations to adapt grants to external pressures and move funding around as needed. - Capturing aggregate progress across the programme as a whole is challenging and we are investing more in learning activities to develop our approach, including as part of development work on our next strategy. - Individual grants have made excellent progress including: - Legal Aid Practitioners Group has continued to expand its range of training courses for practitioners including Certificate in Practice Management, Legal Aid Supervision, and the Management & Leadership programme to emerging managers in the legal advice sector. The M&L programme was evaluated by JRSKnoHow and feedback from participants reflects strong positive impacts on management approaches and decision-making having immediate benefits for organisations and the communities they work with. The programme will run again in 2024. - Grants to Suffolk Law Centre stretching back to 2018 have helped to establish and consolidate this new centre ensuring that publicly funded free legal advice is now available for people facing eviction and discrimination in Suffolk in this previous advice desert. The newly established North Wales Law Centre has applied for a legal aid contract and is in the process of recruiting a team of solicitors, caseworkers and referral coordinators. - Shelter Scotland's Homeless Rights Advocacy project has delivered homelessness law training to housing workers to help with effective advocacy and representation. It has increased integrated frontline provision of homelessness advice and created a network of practitioners. - Successful project work and advocacy by Greater Manchester Immigration Aid Unit and Caritas Salford has established a model integrating legal advice into rough sleeping support, with funding from Greater Manchester Council. - UCL's work on advancing models for health justice partnerships has identified opportunities to draw in wider health funding and significantly raised the profile of approaches to incorporate access to social welfare legal services in health settings. - Clan Childlaw has taken the lead in the development of child centred and trauma informed lawyers in Scotland and has made significant progress in establishing the benefit of a child centred approach to representing children in court and in children's hearings. It has been part of establishing the UK Child Law Network bringing together ten organisations focused on law for children. The network seeks to be a leading source of legal expertise and leadership in respect of the law as it relates to children and lawyers for children. - Child Rights and Youth Justice CIC contributed to new good practice guidance for youth court solicitors published by the Solicitors Regulation Authority which recognises that youth court work requires solicitors to have specialist knowledge, skills and awareness. Guidance has been welcomed by the profession and key stakeholders which represents a significant cultural change. - The Foundation made a major contribution to the Justice Together Initiative, hosted by our subsidiary Justice Collaborations. This work is described more fully in a section below.

In the year to 30 June 2023, the Foundation made the following new grants to organisations under the Stronger Sector programme.

Civic Power Fund	Contributing to research to map and analyse grant making by social justice funders in the UK.	£20,000
Centre for Military Justice	Developing the organisation's focus on gender based violence/sexual harassment cases taking forward existing cases which include GBV, race discrimination and public law work.	£30,000
Council of Somali Organisations	Building the capacity of Council of Somali Organisations' members from across England & Wales to give quality legal advice, through providing training and support on different areas of law including welfare benefits and housing.	£150,000
Greater Manchester Law Centre	Providing core funding to underpin Greater Manchester Law Centre's role as a specialist regional hub for social welfare advice and a resource for communities seeking justice.	£150,000
Grwp Llywio Canolfan Gyfraith y Gogledd / North Wales Law Centre Steering Group	Supporting development work to establish and launch North Wales Law Centre.	£150,000
Independent Provider of Special Education Advice (IPSEA)	Driving forward change for children and young people with SEND through legal support and policy work.	£150,000
Justice Collaborations	Contributing to a funder collaboration that aims to transform access to justice in the UK immigration system.	£1,232,000
Law Centres Network	Scoping a workforce development framework in Law Centres to help build and sustain a diverse and effective workforce.	£30,000
Legal Aid Practitioners Group	Building the case for an accessible, effective and sustainable legal aid system so practitioners can meet client need	£450,000
Migrants At Work LTD	Improving frontline adviser knowledge and skills on the intersection of immigration and employment law to better identify victims of immigration status-related labour exploitation, criminal exploitation and discrimination.	£62,000
MOSAC	Improving qualified legal advice and support for non-abusing parents and carers.	£85,000
Project Seventeen	Improving the implementation of section 17 Children Act 1989.	£167,000
RCJ Advice	Supporting an organisational development change programme and strengthening the national reach of its legal advice	£200,000

Revoke CIC	Strengthening legal advocacy for young refugees and asylum seekers who are marginalised within the legal system.	£90,000
The Association of Community Organisations for Reform Now Ltd (ACORN)	Supporting community organising in Manchester and Leeds to empower marginalised communities and campaign for change.	£139,406

The Stronger Sector programme also includes wider programmes and collaborations that the Foundation has instigated in order to tackle particular strategic challenges facing the sector.

JUSTICE FIRST FELLOWSHIP

Programme	The Justice First Fellowship is the Foundation's scheme to support the next generation of social justice lawyers. The programme was established to tackle the barriers to a career in this area of law. We seek to provide aspiring social justice lawyers not only with the legal training they need, but also the wider skills, networks and opportunities to develop a long and rewarding career using the law as a tool for social justice. Since 2014, more than 140 Fellowships have been awarded across all four nations in the UK over nine cohorts, with recruitment currently underway for a tenth cohort of host organisations that will offer Fellowships starting in April 2024. The Foundation has invested around £7.7 million in the scheme so far. Further expansion in the scale of the programme has been helped by the contributions of other funders and law firms now totalling over £4.1 million. AB Charitable Trust, BBC Children in Need, City Bridge Trust, Unbound Philanthropy, Allen & Overy, Herbert Smith Freehills, Linklaters and Skadden Arps Slate Meagher & Flom have partnered with us over multiple rounds. Justice First Fellows are hosted by some of the best social welfare legal organisations in the country. Each year between 15-20 organisations are awarded grants which fully fund the costs of employing Fellows over the two years of their training contracts. Alongside their training, Fellows are supported to devise and run their own project aimed at increasing access to justice and helping Fellows to gain valuable programme development experience, potentially providing a future income stream for their host organisation. Fellows reflect a diverse range of backgrounds with a large proportion coming from minoritised communities or with lived experience of circumstances where they themselves have needed the support of social welfare legal advice services. The quality of candidates is extremely high and their commitment to social justice is clear. We bring Fellows together over the course of the two years for additional training, development and networking opportunities. Training covers essential non-legal skills such as project development, fundraising, communications and self-care.

Anticipated outcomes	• Improved availability, appeal and sustainability of careers in social justice law. • A cohort of legal organisations that are effective and sustainable. Within these wider Stronger Sector outcomes, JFF looks further and directly at the ability of Fellows to: • develop sustainable careers within social justice law. • advocate for social justice in a way that is accountable and responsive to the needs of their communities.
Key context	• Fellows face the organisational challenges highlighted elsewhere in this report with enormous resource constraints and demands facing organisations in the sector. This has an impact on job retention and career development. • Fellows have continued to manage the impacts of shifts to hybrid working which reduced their opportunities for networking, court exposure and developing their project work. • Reform to solicitor training under the Solicitors' Qualifying Examination (SQE) also means we are adapting the structure of JFF.
Snapshots of progress towards outcomes	• We carefully track the employment destinations and career development of all Fellows. Of the 88 Fellows that have so far graduated from the scheme, over 91% are working as lawyers using law for public benefit. • 76% of Fellows are working as social justice lawyers in not-for-profit or specialist private law firms. • 15% are working as lawyers in the public sector including central government, local government, regulators and the courts service. • 44% of Fellows have remained in their original host organisation. These are new jobs that have been created and sustained by hosts and Fellows. • Whilst the outcomes of the scheme so far are very positive, wider retention and organisational pressures are going to make sustaining these outcomes increasingly challenging. • Since 2019, we have provided additional wellbeing support to JFFs through Claiming Space, a social enterprise that provides training and wider resources for lawyers working with vulnerable populations. Monthly sessions support Fellows to learn, share and reflect on their practice around dealing with stress, vicarious trauma and burnout and to promote self-care. • In March 2022, 11 JFF alumni took part in our fifth week-long learning exchange to New York to visit inspiring organisations using law for social justice. The visit is coordinated by the US charity Centre for Justice Innovation and chaired across the week by Shauneen Lambe. In July 2023 we brought over 70 current and alumni Fellows together at a residential in Bristol. Feedback showed that fellows formed positive professional relationships and connections, as well as gaining wider skills, awareness and connections relevant to their work. • We are undertaking a survey of JFF alumni to understand their career destinations and motivations. This will initially be conducted anonymously and internally but may be expanded in future and commissioned as longitudinal research. • In 2016, the Foundation launched a co-funding partnership with BBC Children in Need to support Fellowships in children's law organisations. Over twenty new children's lawyers have been supported since then across ten organisations. We also supported networking between the Fellows which contributed to closer connections and collaboration between their organisations. This has been

	formalised through the creation of the UK Child Law Network bringing together ten organisations who promote best practice in legal representation for children, advance reform to policy makers, lawyers, local and national decision makers and identify opportunities for strategic litigation to advance children’s legal rights. Beyond the headline figures it is important to recognise that in the course of their work Fellows every day are making valuable contributions at increasingly significant scale – delivering casework, carrying out research, collaborating with each other and with other organisations, developing new services, making strategic use of law in tribunals and higher courts, including up to the Supreme Court, authoring regular articles in the press, and being interviewed about their work.

Twenty new Justice First Fellows (cohort nine) began their Fellowships in 2023 at the following host organisations. This year, the Foundation has invested £1,974k in the JFF scheme.

Asylum Aid	Housing Rights
Barking and Dagenham CAB*	Liverpool Law Clinic (University of Liverpool)
Children’s Legal Centre (University of Swansea)**	Mary Ward Legal Centre
Coram Children’s Legal Centre**	Maternity Action*
Disability Law Service	Norfolk Community Law Service
Dundee Law Centre	North East Law Centre
Family Rights Group**	Refugee Rights Hub
Greater Manchester Law Centre	Release Legal Emergency and Drugs Service
Hammersmith and Fulham Law Centre	South West London Law Centres*
Harrow Law Centre	The Community Law Partnership

* Three hosts in London have been co-funded with Trust for London forming a cluster of organisations focused on employment law.

** Three hosts have been co-funded with BBC Children in Need as part of the existing cluster of organisations focused on children’s law.

The Community Justice Fund

The Community Justice Fund was established in March 2020 as a response to the coronavirus pandemic and the challenges posed to the legal advice sector and those it supports. The Foundation worked together with other independent funders, AB Charitable Trust, Access to Justice Foundation, Indigo Trust and Therium Access to raise and distribute resources quickly to where they were needed. The work was driven and overseen by a steering group made up of advice sector umbrella bodies and frontline organisations.

Conscious that the effects of the pandemic would reach beyond the first lockdown, support has been provided across three waves. Over £17million was raised and distributed with substantial contributions from the Ministry of Justice and the National Lottery. The fund has supported 179 organisations.

Funding was flexible, with grants being used in a variety of ways including office adaptations, purchase of IT equipment to allow staff to move to remote working, salaries for existing staff who would otherwise be furloughed or lose their jobs, and increased staff time or new staff to meet demand.

One of the key lessons of the CJF was the need to attract longer term funding at greater scale in order to help organisations deliver what communities need. Through 2022-23 the CJF partners worked together on a successful bid to the National Lottery for £30million to support a legacy fund coming out of CJF called Improving Lives Through Advice. This will be administered by the Access to Justice Foundation. Although the Community Justice Fund and this new fund have helped to reduce the impacts of financial losses, the sector is still facing cashflow cliff edges in 2023-24 due to a combination of ongoing reduced income, increased demand, rising costs and challenges to service delivery.

TLEF has contributed considerable staff time and resource to the Community Justice Fund, and it has been a successful vehicle for furthering our strategic objectives. In particular, it has leveraged significant external funds towards the aims of our Stronger Sector programme. Whilst the direct collaboration on the Community Justice Fund has now drawn to a close, we continue to work with partner funders and the field to address the structural challenges facing the legal advice sector through vehicles such as the National Advice Funders Network and the Network for Justice.

Fairer Systems: Transparency, accountability and the protection of rights

Programme	In December 2022 we revised our Fairer Systems funding guidelines to reflect our wider charitable objects. Under this programme, we fund charitable work that promotes transparency, accountability and the protection of human rights, including economic and social rights. This means that we fund organisations working to hold government institutions and policymakers to account so that they exercise power in the interests of communities and uphold fundamental rights and freedoms. The programme funds work across the UK with organisations aiming to influence national, devolved and local governments. We particularly value community-led and lived experience-led approaches. We provide funding for staff costs, direct costs such as travel, subsistence or events, overheads and small capital items such as IT equipment. In delivering these activities, we welcome collaborations between organisations. We also recognise the role of second-tier organisations (which support other organisations instead of people directly) in developing co-ordinated responses. We work with organisations to ensure funded work operates within the Charity Commission guidance on campaigning and political activity. In May 2023, we commissioned specialist charity lawyer Rosamund McCarthy at Stone King to produce updated guidance on charity campaigning and the Elections Act, to share with grant partners and the wider field.
Anticipated outcomes	• Law making processes are transparent, accountable and protect human rights. • Government digital systems, processes and use of data are clear, fair, and protect people's legal rights. We are interested in the broad pathways organisations have for pursuing these outcomes, so the grants we make under this programme are flexible.
Key context	• This year saw the introduction a major new legislation with profound impacts on rights and civil society. These include The Nationality and Borders Act 2022, The Police, Crime, Sentencing and Courts Act 2022, The Judicial Review and Courts Act 2022, The Elections Act 2022, the Illegal Migration Act 2023 and the Northern Ireland Troubles (Legacy and Reconciliation) Bill.

	- Plans were dropped for reform of the Human Rights Act via the introduction of a Bill of Rights, however, elements of anticipated changes to human rights have been and are being taken forward in other legislation. - The UK's decision to leave the EU continues to cause significant challenges for the carefully constructed peace settlement in Northern Ireland and fresh momentum has been added to historic conflicts around identity and future constitutional arrangements that are increasingly confrontational in nature. Northern Ireland's power sharing devolved government effectively collapsed under the weight of these challenges and has yet to stabilise. - There is a renewed focus in Scotland on independence. - The rapidly expanding use of automated technologies in Government decision making has concerning impacts on rights and discrimination without proper transparency and democratic accountability in place. All of this is set within the broader context of uncertainty and anxiety around increased financial hardship, the pressure being placed on civil society organisations working on anti-racism and social justice agendas, and the erosion of democratic norms. - The decision of the Supreme Court in the US to repeal Roe vs Wade has caused great anxiety and concern over the impact in the US and more widely of efforts to row back other progressive rulings.
Snapshots of progress towards outcomes by grant partners	- Capturing aggregate progress across the programme as a whole is challenging and we are investing more in learning activities to develop our approach, including as part of development work on our next strategy. - Individual grants have made excellent progress including: - The save our Human Rights Act coalition led by Liberty worked closely on the Bill of Rights Bill. Members of the coalition are now dividing responsibilities on specific bills based on expertise and relevance while remaining connected. - Out of the HRA coalition a sector wide group developed focussing on the Illegal Migration Bill. This group organised itself around targeted briefings for the House of Lords, alongside other grantees including Liberty, Public Law Project, Justice and Equally Ours. - The Constitutional Development Forum, a group of key constitutional experts (many of whom are funded by the Foundation including the Bingham Centre, the UCL Constitution Unit, the Hansard Society, the Welsh Governance Centre and Public Law Project) have been convening regularly to consider significant constitutional questions and potential reforms. - Grant partners such as Hansard Society, Public Law Project and Welsh Governance Centre continue to monitor developments on the retained EU Law bill to inform the sector more widely. Whilst the sunset clause was dropped, the Civil Society Alliance remains active in working to maintain and improve standards and accountability in the proposals that remain. Child Poverty Action Group has carried out in-depth and systematic analysis of how Universal Credit processes align with the social security legislation that underpins them, and the wider rule of law principles of lawfulness, procedural fairness and transparency.

In the year to 30 June 2023, the Foundation made the following new grants to organisations under the Fairer Systems programme.

Centre for Women's Justice	Holding the criminal justice system to account around violence against women and girls.	£150,000
Committee of the Administration of Justice	Embedding Human Rights and Equality in Northern Ireland.	£190,203
Equally Ours	Strengthening a pan-equality civil society network on human rights protection in the UK through research and strategic communication, focussing on lived experience and evidence-based policy making.	£218,500
Hansard Society	Informing practitioner debate about the delegation of legislative power with the Retained EU Law (Revocation and Reform) Act 2023 and wider legislative programme.	
Independent Workers' Union of Great Britain (IWGB)	Strengthening workplace rights for people in insecure work.	£75,000
Institute for Public Policy Research (IPPR)	Carrying out a programme of research and influencing that seeks to explore the democratic implications of the UK's post-Brexit constitutional settlement and provide a reform agenda for law-making in the UK.	£150,000
Institute of Welsh Affairs (IWA)	Taking forward research and engagement with civil society on key constitutional developments affecting Wales, such as consequences of Brexit and approaches to devolution.	£125,000
Liberty	Building a coalition of human rights organisations to protect and strengthen the UK human rights framework.	£300,000
Suzy Lamplugh Trust	Protecting and enhancing the rights of victims of stalking and harassment	£195,000

Smarter Justice: An enduring commitment to learning and evidence in the justice system.

Access to good quality data is fundamental to the development of evidence-based policy making, to the design and evaluation of effective interventions and to monitoring the fairness and lawfulness of processes. Whilst other sectors, including health and education, have made significant progress in improving the quality of and access to data, the justice system has lagged behind. A further development was that across 2016-17, we began to see the lack of rigour being applied to attempts to learn from the digital reform of the civil justice system. Even basic questions around whether people progressing through the civil justice system had protected characteristics were not being asked and were not part of service evaluation.

During our first strategic plan (2015-2020) the scale of work needed in this field led the Foundation to develop an approach that moved from traditional grant-making to a series of concerted direct delivery, engagement, and influencing activities. This was gathered under an initiative called Justice Lab UK which ran from 2018 to 2023 led by Dr Natalie Byrom, LEF's Director of Research. Early work, in particular the *Future of Justice Conference* held jointly by the Foundation with UCL and the Nuffield Foundation, led to an opportunity for Dr. Byrom to be seconded into HM Courts and Tribunal Service as *Expert Advisor on Open Data and Academic Engagement*, fully funded by the Foundation. That work culminated in the publication of the report *Digital Justice* which set out 29 recommendations for evaluating the impact of the government's online courts programme, and for ensuring the needs of all court users are understood and fully met in the move to digital justice.

Following publication, the Foundation pursued these recommendations via influencing activities including research, communications, investigative journalism and working closely with parliamentarians and officials in the MoJ, and the wider field. The work was supported by the strategic consultancy firm DRD and a grant to the ESRC. The majority of these recommendations have been accepted and have shaped the data strategy underpinning the £1bn programme of digital court reform and been used to frame the Ministry of Justice funded evaluation of reformed services.

Four key steps were achieved that will leave a lasting legacy for research in this field:

1. Data on protected characteristics is now being collected across reformed digital courts and tribunal services, alongside the implementation of access to justice impact assessments. We are continuing to call on HMCTS to fulfil their commitment to publish these assessments for all services. This data collection fills a critical gap in our understanding of the fairness of court processes.
2. From April 2022, the National Archives took responsibility for creating and maintaining a new publicly available online repository of court judgements. This recognised the importance of court judgments as public documents and created a step change in terms of access and use of judgments data for research. It increased the public funding for judgment publication and preservation from £50k a year to £8m.
3. The creation of a Senior Data Governance Panel within the MoJ to provide independent expert advice to the Lord Chancellor and the Lord Chief Justice on the collection and use of justice data across courts and tribunals. This infrastructure made it possible for information from court records to be made available to researchers as part of the Data First Programme funded by ADR-UK- a £5m programme that is creating linked datasets to support new avenues of research into the court system- including examining ways to improve experience, equity and outcomes.
4. Research carried out in 2020 for the Civil Justice Council to understand the impact of COVID-19 measures on the civil justice and tribunal systems. Recommendations from these reports have shaped the use of remote hearings across the civil courts and set the agenda for future research.

Alongside investment in infrastructure for research, this year Justice Lab took forward work, led by Tracey Gyateng, on improving and increasing the capability of voluntary organisations in the legal field to use data. In partnership with the Foundation's Justice Together Initiative and North East Law Centre, Tracey led work with the North East Partnership to provide data support around client demographics, legal issues & service referral pathways. The work was completed in May. A key finding was that whilst enthusiasm for the project within legal advice support organisations was strong, capacity to be involved was a key barrier to undertaking improvements to their data collection. The project had to shift from developing data skills within legal advice and support organisations, to the external consultants providing data capacity. A further finding was that data on client referrals and some demographics were particularly deficient. This acts as a barrier for supporting people to receive the appropriate service when required.

In May 2023, Dr Byrom left the Foundation and will continue policy and advocacy work in this area independently. The Trustees are grateful to her for the expertise, leadership and commitment she brought to this work.

The Trustees reviewed the progress made by the Lab and decided that operations of the Lab would in future be integrated and taken forward from this point through the Foundation's grant making. The resources and reports that the Lab produced continue to be accessible and available online. We will use the remaining period of the current strategy to explore how we will develop our future work on data and evidence in the next strategy.

Grant-making process and practice

The Foundation has joined with over 100 other grant makers in signing up to eight commitments as part of the Open and Trusting grantmaking campaign launched by the Institute for Voluntary Action Research and London Funders. The commitments are:

Don't waste time	Be open
Ask relevant questions	Enable flexibility
Accept risk	Communicate with purpose
Act with urgency	Be proportionate

We have made progress on shifting our funding practice to make longer term, more flexible grants and to make our programmes more accessible and open to a wider pool of organisations. We have successfully reduced the number of unsuccessful applications at first and second stage by making our guidelines clearer and spending more time speaking to organisations before and during the application and assessment process.

We continue to place an emphasis on our work being rooted in people's lived experience of social injustice. We have also received a higher number and proportion of applications from new organisations that we have not previously funded (63% of applications, compared to 42% average across the current strategy).

We publish all our grants data on 360 Giving.

We have been very concerned about organisations dealing with increased costs as a result of the cost-of-living crisis and inflation. We worked with the Community Justice Fund steering group to use the third wave of CJF funds to award additional grants of £12,000 to the majority of the 179 organisations funded by CJF in previous rounds of that programme. Feedback from the sector organisations was very positive saying that the injection of flexible funds at that point was very valuable, especially at a time when flexible funding is so difficult to generate.

As a Foundation, we acted alongside this to award additional contributions of £12,000 to current grantees, to be used flexibly. Overall around fifty current grant partners were supported via the CJF or the Foundation direct. The total cost of awarding these additional grants came to £600,000 distributed via amendments to current grants. As well as the benefit of simplicity, the appeal of a consistent figure across all grantees was to award relatively more to small organisations, which we knew were under particular pressure and likely to have lower amounts of flexible income.

Deepening our understanding of oppression

The Foundation has always been committed to upholding justice, and we have been thinking more deeply about how we can prevent harms from oppressive systems, including our own role in these.

We are calling this area of work 'Power, Culture and Inclusion' which reflects the transformation we are going through in our learning, behaviour and attitudes; and our commitment to rebalancing and shifting power to confront injustice.

We are putting dedicated time and capacity into this work with a member of staff, Sheena Khanna, taking on the role of leading this work. A key step in our journey is working with consultants to support our learning and advise us. We have engaged Raggi Kotak and Tatiana Garavito of Jedi consultancy who are experts in the field of racial justice and anti-oppression. They have started working with the LEF staff and Trustees on training and development.

This is long-term work that cuts across the whole organisation including objectives, strategy, team, operations, values and investments. We will be sharing updates and we welcome conversations about our learning in this field. Across all this work, we recognise that this is a process of learning and reflection and that our approach will evolve over time as

we deepen our understanding. It is clear that it is a driving force for staff and board alike, with commitment to take this work forward in meaningful ways.

Strategy 2025-30

Work is underway to develop our next five-year strategy. A Trustee away day in March 2023 looked across all aspects of our work and operations and set the context and direction for the review. In our first ten years of operation, the Foundation has established itself as a key body supporting the role of law as a tool for social justice in the UK. Trustees are keen for this role as a social justice funder focused on law and legal strategies to be consolidated and enhanced. Trustees acknowledged that the complex and dynamic context for our work will require flexible approaches underpinned by robust learning and reflection. We are also keen to invest in our approaches to influencing and communications, including the question of how we balance using our independent voice with amplifying the voices and influence of those we work with.

The Foundation will particularly look to develop its approach towards learning about and expanding the role of law to build power in communities that have been historically marginalised and oppressed. This is broadly where lawyers work closely together with, and take direction from, communities, to develop solutions to the issues they face. In this role, lawyers and legal organisations support, rather than direct, change. This involves meaningful collaboration with communities to understand their needs and priorities and determine together the best tools to advance social movements and bring about systemic, institutional and cultural change.

The strategy process will involve further discussions with the board, within the staff team, with grant partners and with the wider field. Further input is being provided by an independent advisory group which held its first meeting in June 2023. Panel members bring a particular focus on frontline and lived experience and will provide input and advice to the staff team and Trustees, helping us to reflect, learn and gather insights that will make a practical, long-term difference to how the Foundation's funding is distributed and the nature of the work prioritised. The members of the group are:

- Bayo Adelaja, founder and CEO of Do it Now Now.
- Farida Elfallah, Associate Solicitor in the Scottish Refugee & Migrant Centre, and Justice First Fellowship alumna.
- Fazilet Hadi, Head of Policy at Disability Rights UK, and a Non-Executive Director at Cambridgeshire Community Services NHS Trust.
- Avila Kilmurry, Migration and Peacebuilding Executive at The Social Change Initiative, and member of the Foundations for Peace Network and the Expert Advisory Committee of the Institute for Integrated Transitions.
- Chrisann Jarrett MBE, CEO of We Belong, Trustee of the Queen's Commonwealth Trust and member of UCL Policy Lab Advisory Council.
- Sado Jirde, Director of Black South West Network (BSWN) and active on boards and advisory structures including Bristol's One City Economy, Bristol University Court and Bristol Old Vic.
- Alexander Lyons, consultant, trainer and facilitator in diversity, inclusion, culture and communications.
- Deniz Ugur, Deputy Director of the End Violence Against Women Coalition and Trustee the New Economics Foundation

Communications

We recognise the importance and power of good communications in delivering our vision, mission and strategy. Our current communications activities are delivered via mix of internal capacity and external consultancy around key goals and outputs. Work carried out by and funded by the Foundation has been covered widely across mainstream television and radio outlets, in newspapers including The Times, The Guardian, a wide range of local press, trade press and on social media. We have given evidence at Select Committees including the Justice Committee and the Public Accounts Committee, to Parliamentary inquiries and developed our cross-party connections.

Revised wording for our vision and mission has been adopted this year and is aiming to be simpler and bolder, to reflect our widened charitable objects and to place our work in the increasingly harsh external context of increasing need and challenges to fundamental rights and rule of law.

Strategic communications will form a key element of work next year as part of developing our new strategy. Communications will be integrated across all areas of the Foundation with our grantmaking, collaboration, learning and influencing.

ORGANISATIONAL DEVELOPMENTS

This year, Rupert Baron reached the end of his term of office as a Trustee having made a wide contribution to the Foundation including as Chair of our Investment Committee. James Wolffe KC, formerly Dean of the Faculty of Advocates and Lord Advocate in Scotland, and Tamsin Evans, Head of Solutions Investment at Schroders, joined the board this year.

Three members of staff left us this year - Carol Coe, Accounts Officer, Emily McCarron, Policy Manager, and Dr Natalie Byrom, Director of Research. Five people joined us - Simon Davey, Head of Digital Transformation and IT (fixed term contract), Julia Himmrich, Policy Manager, Usha Alllear, Finance Officer, Ali McGinley, Head of Grants, and Ines Taylor, Learning Manager (maternity cover).

We have continued to invest in our structures and systems to ensure the Foundation operates efficiently and effectively, and we have boosted capacity in our grants team as part of our commitment to relational grantmaking.

This year saw considerable focus on our digital and IT systems with work across cyber security, our internal administrative systems, IT infrastructure, IT support services and wider digital strategy.

Since 2013, the Foundation had operated across two office sites – Shalford in Surrey, close to the Guildford campus of our predecessor organisation, the College of Law, and London. The Foundation's lease on the Shalford office came to an end in early 2022 and all staff were brought together in a new office in Alfred Place in central London.

We are completing a comprehensive review and update of our HR policies and pay and benefits structure to ensure we are an excellent employer with an open and inclusive culture. We have improved internal communications including enjoying opportunities post-Covid to spend time together again, launching a new HR system and carrying out regular staff surveys.

In March 2023 we carried out a diversity survey with staff, Trustees and external committee members of the Foundation and Justice Collaborations. Data on representation is one element of understanding diversity within our organisation which will help us go further in creating an inclusive workplace.

The questions were based on the protected characteristics in the Equalities Act 2010. We have not made the data public as doing so could identify individuals given our small organisation size. Findings were shared with Senior Management Team to inform what actions are needed. Looking at staff, Trustees and external committee members, we found that in terms of ethnicity, sex and sexual orientation we have a good range when compared to the overall population of England and Wales. We will continue to take forward our commitment to diversity in our organisation. However, the representation of disabled people across the whole organisation is very low in comparison to the overall population. We have therefore identified disability as a key priority area for us to target in staff recruitment. We are making improvements to our recruitment and employment practice, including highlighting reasonable adjustments and renewing our commitment as a Disability Confident Employer.

Trustee recruitment is including more progressive, inclusive language highlighting our desire to target candidates from Disabled, Black and Minoritised communities, LGBTQ+ communities and particularly those with lived experience of social justice issues.

We will repeat the survey in future years to analyse changes to demographics in our organisation. We will consider including extra questions that can assess socioeconomic background and lived experience of social justice issues as this aligns with the work and communities that the Foundation funds. If we choose to make the data from these surveys public in the future, we will consult staff and Trustees in advance. Our wider approach to Power, Culture and Inclusion (PCI) also reflects that fact that diversity is broader than data on representation.

We have introduced improvements to our governance structure with revised terms of references of committees and further action will be taken on this next year. Our Risk Register is used actively by our Senior Management Team and Trustee board to monitor risk and mitigating actions.

We have strong financial systems and procedures that underpin sound management of our finances, investments and the College of Law Pension and Assurance Scheme (COLPAS). This year, we worked with the COLPAS Trustees to ensure a successful handover of the chairing of the scheme to a professional Trustee.

JUSTICE COLLABORATIONS

The Foundation's subsidiary charity, Justice Collaborations (charity number: 1187441), provides a vehicle for hosting joint programmes with other foundations. The first Justice Collaborations programme is the Justice Together Initiative (JTI).

JTI is a ten-year collaborative programme with a vision that people who use the immigration system can access justice fairly and equally, so that they can get on with their lives. Its mission is to build a community of people and organisations with diverse backgrounds, strengths, and experience to transform access to justice in the UK immigration system. Through grant-making and collaboration, we are connecting lived experience, front-line advice and influencing strategies to create lasting change. Since the Initiative was established, the war in Ukraine and the cost-of-living crisis have further exacerbated the pressures on providers.

JTI funding is being distributed through open grant rounds, phased across regions and devolved nations. Funding is long term and includes costs of management support, staff care and embedding anti-racism strategies. Grant partners funded by the programme are shaping the community of impact created by the scheme, connecting regularly to share intelligence, tackle shared issues and build stronger action for change. JTI aims to fund in a way that seeks to bolster the health, dynamism, sustainability and influencing capacity of the sector over the next decade.

By the end of June 2023, JTI had supported forty grant partners with funding totalling £9million.

Grants are available under two themes:

1. Influencing - these grants support organisations to build influencing capacity, such as through hiring community organising and influencing staff (with a focus on those with lived experience of the immigration system).
2. Advice and representation - these grants support organisations to develop more capacity to deliver more, and better quality, advice services. This can be through hiring new advice staff, with a particular focus on those with lived experience, upskilling existing staff, and entering into partnerships with networks of local organisations to develop advice strategies.

Alongside this funding, JTI also supports grant partners through a Community of Impact that provides workshops and training designed to build capacity and networks. There is an explicit anti-racist element to JTI's work, along with an aim to increase the numbers of people with lived experience working in the sector. This is reflected in the decision making for the programme as a whole which is governed by a grants committee with the majority of its members having personal lived experience of the immigration system.

Learning work carried out by independent consultants has captured the value grant partners place on the thoughtful, expert and relational way in which the JTI staff team work with - and support - the grant partners. This has enabled grant partners to develop a sense of partnership and build trust with JTI, and to raise any issues with staff openly.

There has also been demonstrable and concrete progress towards the Initiative's goals:

Goal 1: A more just and equitable immigration system

Influencing capacity has been built through the funding of increased staff posts. There is also evidence that organisational understanding of strategic litigation and strategic communications and messaging has increased as a result of JTI's support. There has been less progress to date with mobilising and building support around key influencing goals, largely due to an external environment in which undertaking influencing activity is very challenging. Over this period, recruitment and retention of staff has become more difficult. There is an appetite from both funders and grant partners for JTI to further clarify its own role in relation to influencing.

Goal 2: Immigration organisations are more sustainable, better networked and more representative of the communities they serve

Grant partners have strengthened and developed their capacity through JTI's funding and support. They have more paid staff, attracted further funding (beyond JTI funding), and staff have gained new skills and qualifications. Grant partners have also developed stronger, wider networks as a result of being part of the Initiative including wider formal partnerships with other local migration sector organisations; stronger local and grassroots partnerships; and an increased ability to refer between organisations. Moving towards a more professionalised approach with better qualified staff and greater capacity has enabled grant partners to be more strategic in their approach to tackling local and national issues. There is less overall progress towards improved referral routes, as so much time is required to streamline case management systems, whilst demand for services continues to increase.

Across both Goals 1 & 2, greater numbers of people with lived experience are being employed: Of the 46 new roles funded by the programme, 32 have been created for staff with lived experience: 18 into advice roles and 14 into influencing roles. Staff with lived experience can be re-traumatised through their immigration advice and influencing work – supporting them in their roles, therefore, requires care and thought.

Goal 3: More people are able to secure justice

Progress here is reliant on progress being made towards outcomes in Goals 1 & 2. In particular, improved referral routes, increased numbers of staff, and enhanced access to supervision, training and well-being support for staff are intended in the medium-term to increase people's access to good quality, timely legal advice and support. The evidence in this report of progress towards these outcomes, therefore, suggests that headway is also being made towards Goal 3.

There is also further evidence of progress towards this goal: the number of people grant partners anecdotally report as being able to access support has increased, and the quality of the advice and support they are able to offer has improved. However, it is difficult to robustly quantify this increase, as grant partners collect the data in different ways. It is clear that grant partners are operating in an exceptionally challenging context, and questions about the sustainability of the work are very pressing – they would like JTI to hold open conversations about the plans for future funding and sustainability. JTI has done a significant amount of thinking, reflecting and strategising about its work and practice – communicating and discussing this further with grant partners and funders would be welcomed.

FOUNDATION PRIORITIES FOR 2023-2024

The Foundation will:

- Develop our work under the three objectives of the 2020-2025 strategic plan - Stronger Sector, Fairer Systems and Smarter Justice. Applications to Stronger Sector and Fairer Systems will be considered in two open grants rounds in 2023-2024. We will take forward work to integrate the mission of Justice Lab into our grant making under Smarter Justice.
- Continue to deliver and develop the Justice First Fellowship programme.
- Undertake proactive collaboration, grantmaking and advocacy in wider pursuit of our strategic objectives.
- Develop further the Justice Together Initiative.
- Develop further the Foundation's use of communications in engaging with the field and seeking to have wider influence.
- Continue to strengthen operations to ensure the Foundation works efficiently and effectively.
- Develop further the Foundation's practical progress on Power, Culture and Inclusion.
- Take forward planning for the 2025-2030 strategy.

ALAN HUMPHREYS (Deputy Chief Executive)

In December 2022 we received the sad news that Alan Humphreys had died. As Deputy Chief Executive of the College of Law, Alan oversaw the significant expansion of the College in its number of students, sites and range of courses, in particular to widen access for students by launching the College's first part time courses. Following the sale of the College and the creation of the Legal Education Foundation, Alan took on the role of Deputy Chief Executive and Finance Director establishing the systems and structures at the Foundation and supporting development and implementation our first five year strategy. Over this time, Alan built close relationships with organisations in the field, in particular the Law Centres Network and Legal Action Group, where he supported developments around IT infrastructure, reflecting his long-standing passion for the positive role of technology. He also worked especially closely with our Investment Committee helping to build the Foundation's endowment at the same time as generating over £40million to distribute in grants between 2013 and 2022. Alan retired from the Foundation in April 2022 and had continued as a Trustee of the College of Law Pension and Assurance Scheme (COLPAS). The Trustees would like to recognise Alan's significant contribution to the Foundation.

FINANCIAL REVIEW

Results for the Period

The Financial Statements for the period are set out on pages 35 to 60. These show that the Group had a total expenditure of £13.8 million for the year (£14.7 million in 2022), with net expenditure before investment gains of £2.0 million (£9.5 million in 2022).

The equivalent figures for the Foundation on a standalone basis are a total expenditure of £11.2 million for the year (£10.5 million in 2022), with net expenditure before investment gains of £5.8 million (£6.7 million in 2022). All of the Foundation Group's assets are held for the purpose of meeting the Foundation and its subsidiary's charitable objects.

There were no significant financial events during the year that impacted the Foundation's strategy for meeting its objectives. The investment asset allocation of the Capital Fund is based on being able to deliver a real return of 3.5% per annum over a period of seven or more years.

The impact of the conflict in Ukraine caused a significant fall in the value of the fund in the first half of 2022. However, this follows a period where the portfolio returns had been significantly higher than the target (portfolio return from inception to 30 June 2023 +6.7%, 2022 +5.9%).

A long period of world equity market decline would however endanger this target and may require the Governors to reconsider their annual expenditure. Inflation is also a risk to the valuation of the portfolio as our target return is inflation +3.5%.

More information is contained in the Investment Management and Performance section of this report.

Principal funding sources

The principal source of funds for the Foundation is the return on the Capital Fund. In addition, the Foundation has been awarded restricted grants from other organisations to the value of £152k (£1,029k in 2022) in the year.

The principal source of funds of the Foundation's subsidiary is restricted grants from other charitable foundations and organisations (2023: £8.0 million; 2022: £1.7 million).

Cash flow and cash levels

The Foundation's investment strategy is constructed on a total return basis. The Foundation is entirely funded from its investments and grants from other organisations.

In the financial year to 30 June 2023, £9.8 million (£9.0 million in 2022) was taken from the Capital Fund for grant and operational expenditure.

Cash balances in the Foundation as at 30 June 2023 were £4.4 million (£6.8 million in 2022). In 2023, £3.5m of this sum was earmarked for future grant commitments. All long term investment cash was transferred to Sarasin & Partners in September 2021 to be managed as part of the overall capital investment portfolio.

A further part of the Foundation's working capital is held in a portfolio of sterling, investment grade, short dated corporate bonds. The value of these bonds is included in Current Asset Investments (note 9) at a market value of £5.0 million as at 30 June 2023 (£4.5 million in 2022). It is the intention to hold each bond until its maturity.

In addition, cash balances in the subsidiary as at 30 June 2023 were £6.1 million (£5.4 million in 2022).

The Governors have noted that liquidity levels are projected to remain adequate for all operational and currently planned grant expenditure purposes.

Treasury management

Treasury activities are undertaken under defined procedures, which are approved by the Finance, Audit and Risk Committee, with advice from the Investment Committee when required. The Foundation aims to maximise its return on any liquid funds mostly through short term corporate bonds, referred to above, and short-term fixed deposits subject to the proviso that these deposits are only placed with financial institutions whose credit ratings meet standards approved by the Investment Committee. During the year these remained as being institutions with an AA long-term credit rating or an institution defined by H M Government as systemically important.

Pensions

Although the Foundation sold the legal education and training operation of The College of Law on 30th November 2012 it has retained employer responsibility for the College of Law Pension and Assurance Scheme (COLPAS) which is a defined benefit scheme. It was closed to new entrants in 2019 and closed for future accrual of service by active members as from 31st August 2021.

The most recent full Triennial Actuarial Valuation of COLPAS as at 1st August 2021 showed a surplus, on the Statutory Funding Basis, of £23.2 million. The COLPAS Trustees have been continuing a Liability Driven Investment Strategy with the objective of reaching a full buy-out basis over the medium term. Its assets are invested in bought-in annuities, gilts, leveraged gilts, corporate bonds, asset backed credit, private credit and cash. No assets are held in equities.

The Foundation uses four measures of pension scheme valuation. The Scheme Actuary has extrapolated figures from the last full Actuarial Valuation, together with actual data where known, to provide the figures set out below:

Basis	30 June 2023		30 June 2022	
	Funding %	Surplus/(Deficit) £Million	Funding %	Surplus/(Deficit) £Million
Statutory Funding	102	3.3	108	14.9
FRS102 Valuation	116	14.3	128	40.7
Solvency	94	(9.5)	96	(8.7)
Pension Protection Fund	130	33.0	137	53.0

The Governors are in discussion with the Trustees of COLPAS with a view to working towards a buy-out and wind up of the scheme in the medium term. The Finance, Audit and Risk Committee are currently at an exploratory stage with the Trustees of COLPAS who are engaging with a variety of external advisers to ensure the scheme is in the best position to approach insurers for buy-out quotations. The Finance, Audit and Risk Committee will be considering a suite of options during 2023/24 which will form the basis of a proposal to the full Board of Governors.

Reserves policy

It is the Governors' policy to maintain the Fixed Asset Investments, otherwise known as the Capital Fund, at £200 million in real terms based on 30 November 2012 and for the Fund to provide a sustainable amount for grant and other expenditure purposes each year over the long term. At 30 June 2023 the value of the Capital Fund was £271.3 million compared to a target maintained real value of £272.3 million.

The general funds, after deducting the pensions liability, are the free reserves of the Foundation. The balance on restricted funds at 30 June 2023 was £6.5 million (£2.7 million in 2022).

	Group	Foundation
	£000's	£000's
Total Funds	271,334	264,778
Less: Restricted Funds	<u>(6,559)</u>	<u>(3)</u>
General Funds	264,775	264,775
Less: Amount held for Pension Liability	<u>(1,885)</u>	<u>(1,885)</u>
Free Reserves	<u>262,890</u>	<u>262,890</u>

It is the Governors' policy that the free reserves should increase to reach the value of the capital fund over the long term. As the pension liability (£1,885k; see note 14) is expected to reduce as a result of payments over a period of more than 10 years, the Governors do not consider that any immediate action to reduce the current shortfall is required.

The Governors and the Finance, Audit and Risk Committee monitor the level of reserves throughout the year by reference to forecasts provided to them which include calculations and commentary on reserve levels.

INVESTMENT MANAGEMENT AND PERFORMANCE

Investment policy

The Foundation's investment policy is intended to provide long term stability and liquidity sufficient to maintain the real value of the capital fund after transferring funds for grant and other expenditure each year.

The Foundation's Investment Policy Statement sets out the parameters within which the Investment Committee and Investment Advisers must operate to do this.

The Governors have approved a grant and operational expenditure budget of £9.5 million for the Foundation for the period to 30 June 2024. This sum will be taken from the capital fund during the year.

Review of Investment management

Following their appointment in mid-2021, Sarasin & Partners managed the process of moving from the multiple managers selected by Cambridge Associates to their own custody and management. The first transactions took place in September 2021 and the process was effectively completed by the end of December 2021. The Investment Committee oversaw the process and held regular quarterly meetings with Sarasin & Partners LLP, to monitor progress, performance, markets and the investment background. Over the initial seven months of their appointment, new reporting formats have been agreed which are more in keeping with the segregated, discretionary investment services they provide.

Investment policy statement

The Investment Policy Statement covers the following main areas:

- The intention over the medium term to maintain the real value of the Capital Fund.
- The aim to provide over the long-term an annual sum equal to 3.5% of the Capital Fund for grant and operational expenditure.
- The Foundation's attitude to risk.
- The Foundation's commitment to responsible investment.
- The strategic asset allocation.
- Liquidity requirements.
- The Investment portfolio is to be managed on a total return basis.

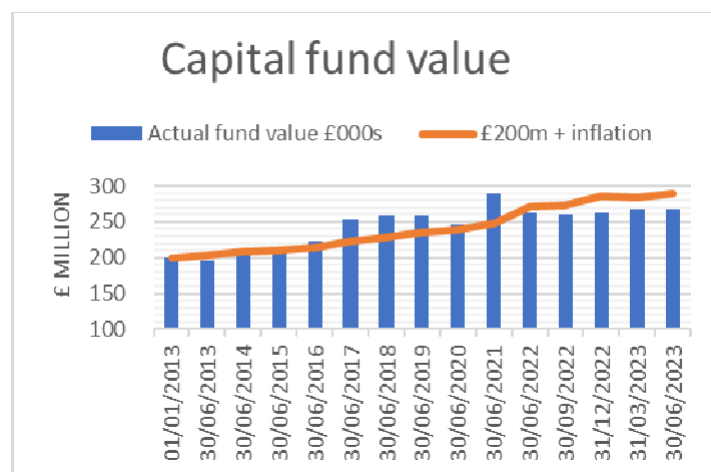
Investment Performance

While markets finished 2021 on a high, this year was challenging for investment assets. Inflation rose sharply due to a tight labour market, constrained supply chains, and rising energy prices, which were further pressured by the war in Ukraine. Central banks have had to respond by aggressively raising interest rates, which has triggered declines in both equity and bond markets. These challenges have been compounded by fears of weakening economic growth, which may result in lower company earnings.

Although markets performed robustly over the end of Cambridge Associates' tenure and the first half of our financial year, the turbulence noted above occurred in the latter half and Sarasin & Partners first period of management. Over the full twelve months to 30th June 2022, the Foundation's investment portfolio generated a return of -6.2%. Within this, during Sarasin's opening seven months of management, a return of -7.5% was generated which was fractionally ahead of the benchmark after costs.

The graph below shows the actual value of the capital fund compared to the amount that would be required to maintain its real value. It should be noted that whilst the capital fund's value at 30 June 2022 had fallen below its target, the period since its creation is only 9 years. It is likely that there will continue to be volatility in future years.

The Foundation was advised by Cambridge Associates that returns over the next ten years are expected to be lower than in the past owing to the relatively high level from which valuations of growth assets start: this is something Sarasin & Partners concurred with on appointment.



The table below shows the performance of the investment portfolio against the long-term target.

Performance Over (annualised)	Portfolio Return 2023 %	Portfolio Return 2022 %	Inflation 2023 %	Inflation* 2022 %	Over/ (Under) 2023	Over/ (Under) 2022
1 Year	5.5	-6.2	6.1	10.2	-0.4	-16.4
3 Years	6.6	4.3	6.7	5.0	0.0	-0.7
Since Inception (2013)	6.7	5.9	3.3	3.8	+3.1	+2.1

* RPI used until 31.12.21 then changed to CPI

Asset allocation

The following table sets out the position of the portfolio as at 30th June 2023, together with a comparison to the benchmark and the ranges within which we allow Sarasin & Partners to operate:

Asset Classes	30.06.23	Strategic Benchmark	Tactical Tilt	Operating Parameters
	%	%	%	Low to High
Cash / Liquid Assets	2.2	0.0	2.2	0 to 10
Fixed Income	10.0	10.0	-	0 to 20
Bonds & Cash	12.2	10.0	2.2	0 to 30
Global Equities	73.5	75.0	(1.5)	60 - 90
UK Physical Property	4.0	5.0	(1.0)	0 - 10
Alternatives	10.3	10.0	0.3	0 - 20
	100.0	100.0		

The alternatives assets are invested in reasonably liquid specialist investment vehicles, which result in exposure to, amongst other things: commodities, private equity, private debt, debt & equity-oriented infrastructure, renewable energy and hedge funds.

Environmental, social and governance factors in investments

The Foundation has confirmed its commitment to the environmental, social and governance (ESG) agenda in its investment policy.

One of the Foundation's reasons for appointing Sarasin & Partners was their leadership in a range of ESG initiatives and the transparency of their reporting on their activities. Recent activity relating to voting, governance, engagement with investee companies, policy work with governments and regulators, together with a review of pertinent issues are presented to the Foundation on a quarterly basis for comment and discussion.

Holdings

An analysis of the Capital Fund holdings is provided at note 7 on page 47.

Statement of Governors' Responsibilities

The Governors are responsible for overseeing the preparation of the Annual Report and Accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Foundation and of its incoming resources and application of resources for that period. In preparing these financial statements the Governors are required to:

- Select suitable accounting policies and then apply these consistently.
- Observe the methods and principles in the Charities Statements of Recommended Practice (SORP).
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable 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 Foundation will continue in existence.

The Governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the Foundation's by-laws. They are also responsible for safeguarding the assets of the Foundation and consequently for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors confirm that:

- So far as they are aware there is no relevant audit information of which the Foundation's auditor is unaware
- They have taken all steps that they believe they ought to have taken as Governors and Trustees in order to make themselves aware of any relevant audit information and to establish that the Foundation's auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

RISK MANAGEMENT

Overall

The Trustees are responsible for identifying, managing and monitoring the risks facing the organisation and for mitigating these risks so as to arrive at an acceptable risk appetite.

A Risk Register is maintained that lists and ranks all identified risks via a traffic light system. The register shows gross and net risk for each identified item of risk, mitigations which are already in place and identifies any further action required and who is responsible for that action.

The Governors review the risk register at every meeting and the Foundation's Senior Management Team uses the Risk Register as a key tool, regularly reviewing risks and the implementation of mitigating actions.

Principal residual risks

The Governors consider the following to be the principal residual risks and ensure that appropriate mitigations are in place and are monitored.

Operational	Inadequate cyber security protections in place lead to data corruption/loss, introduction of malware/ransomware, and data protection breach
External	Significant changes occur in the constitutional, legislative and / or regulatory environment in which the Foundation operates that restricts our ability to deliver our strategic objectives
Governance	Trustee body does not reflect diversity in terms of skills, protected characteristics or lived expertise which leads to poor decision making and loss of credibility

GOVERNANCE

Governors

The ultimate control of the Foundation is vested in the Governors who are also the Foundation's Trustees. They are appointed by the Members of the Foundation. Day-to-day control of the Foundation is exercised by a management team led by the Chief Executive who is appointed by the Governors.

The Governors normally meet five times during the year, with additional meetings taking place if necessary. The Governors devote each meeting to considering strategic issues in addition to receiving update reports from the Chairs of each committee and a progress report from the Chief Executive.

The Governors undertook a review of their effectiveness during the previous year and decided that, in order for them to devote more time to strategy development and monitoring, further responsibilities should be devolved to the committees.

The Foundation's financial regulations specify authorisation limits for budget holders, with material transactions being approved by the Governors or committees. In addition, formal treasury policies are in place.

Following the merger of the Audit and Finance & General Purposes Committees, the Governors now have four committees to oversee, monitor and approve actions on the major areas of the Foundation's activities and responsibilities. The terms of reference of each committee are reviewed on a regular basis to ensure that they remain appropriate to the Foundation's needs.

The Governors take steps to ensure that they work as an effective team, using the appropriate balance of skills, experience, backgrounds and knowledge to make informed decisions. They can access independent professional advice, such as legal or financial advice, at the Foundation's expense if needed.

The Governors and those who served as such at any time during the financial year, together with details of their committee memberships as at the approval date, 12 October 2023, are shown on page 29. Further details on each Governor can be found on our website:

<https://www.thelegaleducationfoundation.org/about-the-legal-education-foundation/governors>

Recruitment of Governors

A skills audit of the Governing Board is undertaken on a periodic basis to identify the skills needed in order for the Foundation to be able to consider, monitor and approve its Strategic Plan. Recruitment and re-appointment of Governors is based on this need.

When considering the recruitment of a Governor, the Nominations Committee decides the most appropriate recruitment method to use. Normally this is by recruitment consultants advertising the role and inviting applications. The Nominations Committee then considers a long list of candidates and selects a shortlist of applicants for interview before making a recommendation to the full governing Board, which after consideration makes a recommendation to the Members.

The Foundation aims to recruit Governors with diverse backgrounds and skills.

Induction and training of Governors

New Governors are provided with an induction programme during which they have the opportunity to meet with the key management personnel and the Secretary. They are also made aware of:

- the responsibility of Trustees
- the Foundation's Constitution
- the latest financial statements
- the committees and decision-making processes
- the plan for meeting the Foundation's Object
- the Foundation's risk register
- the Foundation's charity governance checklist.

Training requirements are identified as part of the skills audit review and a programme of training for the following year is considered by the Nominations Committee annually.

Charity Governance Code

The Foundation is committed to best practice in governance. The Audit Committee undertook a review of compliance with the Charity Governance Code in July 2021. The results of the review confirmed that the Foundation and its subsidiary continued to comply with the Charity Governance Code.

The Foundation continually reviews ways to further improve its governance and focusses on the areas of the code where this can best occur.

The Governors have supported the senior management in the creation of a diversity, equity and inclusion working group. The activities of this group are reported to the Governors' Board meetings and to the Senior Management Team and will support the objective of continuing to improve governance practice in this area in line with the revised Diversity section of the Code.

The Justice Together initiative, run by Justice Collaborations, has been developed with a commitment to equity and human rights, inclusion and anti-racism at its core. It has a dedicated Anti-Racism Working Group and has worked with an expert consultant to develop its anti-oppression aims.

Conflicts of interest

The Foundation's conflicts of interest policy requires Governors, executives and advisers to declare any interest which could give rise to conflict of interest. They are required to exempt themselves from all relevant decisions which may involve a transaction with a related party or in which they may have a conflict of interest although they can take part in general discussion on the area concerned at Governors' meetings. At Grants, Programmes and Learning Committee meetings, members of the Committee are required to recuse themselves from both discussion and decision when an item on which they are conflicted is being discussed.

Fundraising

The Foundation has not entered into contracts with central or local government to deliver services nor has it received grants from central or local government. All restricted funds have been received from other charitable organisations or law firms. It does not raise funds from the public and therefore has not subscribed to any fundraising standards or scheme for fundraising regulation.

The Foundation is aware of the regulations and has nothing further to disclose under the provisions of section 13 of the Charities (Protection and Social Investment) Act 2016.

Committees

Investment Committee

The Investment Committee normally meets four times a year. In addition to the Governor Members there is one professionally qualified external member.

Its terms of reference include overseeing the implementation of the Investment Strategy Policy and monitoring investment performance and recommending the amount to be made available to the Foundation for grant and operational expenditure each year.

Finance, Audit and Risk Committee

The Finance, Audit and Risk Committee (formed from a merger of the Audit and Finance & General Purposes Committee in July 2022) will usually meet 4 times a year.

In addition to the Governor Members there is a professionally qualified accountant external member. The Chair has a finance background. The auditors, who regularly attend the meetings, also have a separate meeting with the committee once a year without any Foundation staff present.

The terms of reference of the committee include:

- a critical review of the annual report and financial statements prior to submission to the Governors for approval.
- monitoring the effectiveness of the internal control systems and reviewing risk management policies, systems and the Risk Register.
- considering the appointment, resignation or dismissal of the external auditors.
- reviewing and approving budgets, forecast and other financial projections.
- pension matters.
- property matters.
- reserves policy; and
- such other matters as are referred to it by the Governors.

The committee makes a written report on its compliance with its terms of reference and on internal controls and the risk register to the Governors on an annual basis.

Approval of remuneration and benefits for staff was the responsibility of the Finance and General Purposes Committee until October 2022. That responsibility was passed to the Nominations Committee from October 2022.

The committee agreed on 26 May 2023 that they would take on responsibility for overseeing matters and approvals relating to the College of Law Pension and Assurance Scheme.

Grants, Programmes and Learning Committee

The Grants, Programmes and Learning Committee normally meets at least twice a year. It also takes decisions on individual grants by email between meetings and it receives regular updates throughout the year.

The committee oversees the implementation of the policy and criteria agreed by the Governors for the award of grants, considers each application for grants of over £40k, and makes recommendations to the full governing body for any awards of over £350k. The committee has delegated authority to the Executive to award individual grants of up to £40k with a maximum total amount of all such grants in any one year of £300k. A report on each of these grants is made to the committee and each grant is reported to the Governors at their next meeting.

The committee is also responsible for monitoring progress against the Foundation's research and learning strategy and its policy and public affairs strategy and reporting on these to the Governors. It also reviews and approves the planned annual work plans for each of these areas of activity for the coming year.

The committee also receives a report at each meeting providing an analysis of each final grant monitoring report which summarises activities and lessons. A separate report is made to each meeting regarding any grantee at risk.

Nominations and Remunerations Committee

The Nominations and Remunerations Committee normally meets three times a year. Its main responsibilities are overseeing the processes for assessing the balance of skills, knowledge, experience and diversity of the Governing Board and the recruitment, appointment and re-appointment of Governors as well as the chairmanship and the membership of committees. It is also responsible for succession planning.

The policy is for Governors to be appointed for a period of three years with re-appointment being for a maximum of a further six years, so that each Governor serves for no longer than nine years other than in exceptional circumstances.

Staff Remuneration

Remuneration of senior management has previously been decided following detailed advice from recruitment and remuneration consultants. The only changes to have taken place in the year to 30 June 2023 are cost of living increases which were approved by the Finance and General Purposes Committee.

Governors and Senior Personnel

The Governors and those who served as such at any time during the financial year, together with details of their committee memberships as at 12 October 2023, are shown in the following table.

Committee membership at 12 October 2023

	Grants, Programmes and Learning	Investment	Nominations & Remuneration	Finance , Audit and Risk Committee
Rupert Baron (left 30.11.22)				
Ailsa Beaton		X		X
Jonathan Freeman	X		X	
Vivek Luthra		Chair		X
Alison Pickup	X			
Monica Risam			X	X
Hetan Shah	X			
Rupen Shah				Chair
Paddy Sloan - Chair	Chair		Chair	X
Alex Temple	X			
James Wolffe (joined 30.11.22)				
Tamsin Evans (joined 24.1.23)		X		

In addition:

Kirsty Garrison is a professional accountant external member of the Audit Committee.

David Haysey is a professional investment external member of the Investment Committee.

Cullagh Warnock is an external member of the Grants, Programmes and Learning Committee.

Key Management personnel:

For the purposes of compliance with the Charities SORP, Key Management personnel are identified as the Trustees, Matthew Smerdon (Chief Executive) and the senior management team (comprising of the Director of Grants, Director of Operations, Director of Research and Director of Strategy).

A full list of all current staff members can be found on the Foundation's website.

Acknowledgements

The Governors would like to thank the Foundation's staff and external advisors for their great commitment to the Foundation's vision, mission and values.

Rupert Baron ended his term of office in 2022. He served the Foundation for nine years with skill and energy, and we thank him for his contribution.

Approved by the Board of Governors on 12 October 2023.


Paddy Sloan (Oct 16, 2023 11:49 GMT+1)

Paddy Sloan
Chair

Independent Auditor's Report to the Governors of the Legal Education Foundation

Opinion

We have audited the financial statements of The Legal Education Foundation (the 'parent charity') and its subsidiary (the 'group') for the year ended 30 June 2023 which comprise the Consolidated Statement of Financial Activities, the Statement of Financial Activities of the Individual Parent Charity, the Group and parent charity Balance Sheets, the Consolidated Statement of Cashflows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and charity's affairs as at 30 June 2023 and of their incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditors under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Conclusions relation to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- sufficient accounting records have not been kept by the parent charity; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Governors' responsibilities set out on page 24, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group's and parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework, that the group and parent charity operates in and how the group and parent charity is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;

- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Charities Act 2011, the parent charity's governing document, the Royal Charter and the Foundations By-Laws. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The audit engagement team identified the risk of management override of controls and recognition of donation income as they were the areas where the financial statements are most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates and reviewing recognition of donation income in line with the SORP criteria.

RSM UK Audit LLP

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's Trustees as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
Davidson House
Forbury Square
Reading
Berkshire
RG1 3EU

Date 31 October 2023

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Consolidated Statement of Financial Activities
for the year ended 30 June 2023

	Note	2023 Unrestricted £'000	2023 Restricted £'000	2023 Total £'000	2022 Unrestricted £'000	2022 Restricted £'000	2022 Total £'000
Income:							
Investments	2	4,939	-	4,939	2,664	-	2,664
Donations and legacies	2	-	6,657	6,657	-	2,466	2,466
Other	2	296	-	296	20	-	20
Total income		5,235	6,657	11,892	2,684	2,466	5,150
Expenditure on:							
Raising funds (investment management costs)	5	919	-	919	493	-	493
Charitable activities	5	9,680	2,772	12,452	8,312	5,348	13,660
Other	5	475	-	475	517	-	517
Total expenditure	5	11,074	2,772	13,846	9,322	5,348	14,670
Net (expenditure)/income before investment gains and losses		(5,839)	3,885	(1,954)	(6,638)	(2,882)	(9,520)
Net gains/(losses) on investments	7,9	7,946	-	7,946	(20,818)	-	(20,818)
Net income/(expenditure)		2,107	3,885	5,992	(27,456)	(2,882)	(30,338)
Other recognised gains and losses:							
Actuarial loss on defined benefit pension scheme	14	(27,255)	-	(27,255)	(4,278)	-	(4,278)
Restriction of movement on pension scheme asset	14	27,449	-	27,449	4,979	-	4,979
Net movement in funds		2,301	3,885	6,186	(26,755)	(2,882)	(29,637)
Reconciliation of funds							
Total funds brought forward	13	262,474	2,674	265,148	289,229	5,556	294,785
Total funds carried forward		264,775	6,559	271,334	262,474	2,674	265,148

The Statement of Financial Activities includes all gains and losses recognised in the year. The notes on pages 39 to 60 form part of these financial statements.

Statement of Financial Activities of the individual parent charity
for the year ended 30 June 2023

	Note	2023 Unrestricted £'000	2023 Restricted £'000	2023 Total £'000	2022 Unrestricted £'000	2022 Restricted £'000	2022 Total £'000
Income:							
Investments	2	4,939	-	4,939	2,664	-	2,664
Donations and legacies	2	-	152	152	-	1,029	1,029
Other	2	296	-	296	96	-	96
Total income		5,235	152	5,387	2,760	1,029	3,789
Expenditure on:							
Raising funds (investment management costs)	5	919	-	919	493	-	493
Charitable activities	5	9,680	152	9,832	8,388	1,120	9,508
Other	5	475	-	475	517	-	517
Total expenditure	5	11,074	152	11,226	9,398	1,120	10,518
Net expenditure before investment gains and losses							
		(5,839)	-	(5,839)	(6,638)	(91)	(6,729)
Net gains/(losses) on Investment	7,9	7,946	-	7,946	(20,818)	-	(20,818)
Net Income/(expenditure)		2,107	-	2,107	(27,456)	(91)	(27,547)
Other recognised gains and losses:							
Actuarial loss on defined benefit pension scheme	14	(27,255)	-	(27,255)	(4,278)	-	(4,278)
Restriction of movement on pension scheme asset	14	27,449	-	27,449	4,979	-	4,979
Net movement in funds		2,301	-	2,301	(26,755)	(91)	(26,846)
Reconciliation of funds							
Total funds brought forward	13	262,474	3	262,477	289,229	94	289,323
Total funds carried forward	13	264,775	3	264,778	262,474	3	262,477

The Statement of Financial Activities includes all gains and losses recognised in the year. The notes on pages 39 to 60 form part of these financial statements.

Balance Sheets as at 30 June 2023

	Note	Group 30 June 2023 £'000	Foundation 30 June 2023 £'000	Group 30 June 2022 £'000	Foundation 30 June 2022 £'000
Fixed Assets					
Fixed asset investments	7	267,631	267,631	262,654	262,654
		267,631	267,631	262,654	262,654
Current Assets					
Debtors	8	6,988	1,142	4,780	1,924
Current asset investments	9	8,494	8,494	10,836	10,836
Cash at bank and in hand		6,975	852	5,866	439
		22,457	10,488	21,482	13,199
Creditors due within one year	10	(11,530)	(8,247)	(10,673)	(7,360)
Net current assets		10,927	2,241	10,809	5,839
Total assets less current liabilities		278,558	269,872	273,463	268,493
Creditors due after more than one year	11	(5,339)	(3,209)	(6,212)	(3,913)
Net assets excluding pension liabilities		273,219	266,663	267,251	264,580
Pension liability	14	(1,885)	(1,885)	(2,103)	(2,103)
Net assets		271,334	264,778	265,148	262,477
Funds					
General funds		266,660	266,660	264,577	264,577
Less: pension liability	14	(1,885)	(1,885)	(2,103)	(2,103)
General funds after pension liability		264,775	264,775	262,474	262,474
Restricted funds	13	6,559	3	2,674	3
Total funds	13	271,334	264,778	265,148	262,477

Approved and authorised for issue by the Board of Governors on 12 October 2023.

Paddy Sloan
Paddy Sloan (Oct 16, 2023 11:49 GMT+1)

P Sloan (Chair of Governors)

Rupen Shah
Rupen Shah (Oct 16, 2023 13:17 GMT+1)

R Shah (Chair of Finance, Audit and Risk Committee)

The notes on pages 39 to 60 form part of these financial statements.

Consolidated statement of cashflows
for the year ended 30 June 2023

	Note	30 June 2023 £'000	30 June 2022 £'000
Cashflows from operating activities	20	(9,141)	(6,217)
Cashflows from investing activities:			
Dividends, interest and rents from investments		4,939	2,785
Proceeds from sale of investments		126,417	340,691
Purchase of investments and bonds		(123,948)	(333,950)
Net cash provided by investing activities		7,408	9,526
Change in cash and cash equivalents in the reporting period		(1,733)	3,309
Cash and cash equivalents at the beginning of the reporting period		12,248	8,939
Cash and cash equivalents at the end of the reporting period		10,515	12,248

Cash and cash equivalents include cash at bank and in hand £6,975k (2022: £5,866k) and cash held in short term deposit accounts £3,540k (2022: £6,382k).

Notes to the Accounts

1. Accounting policies

a. Principal policies

The financial statements of the charity, registered in England and Wales, which is a public benefit entity under FRS 102, are prepared under the historical cost convention as modified by the revaluation of investments and in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102), the 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 United Kingdom and Republic of Ireland (FRS102) (effective 1 January 2019) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the second edition of the Charities Statement of Recommended Practice issued in October 2019 applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The functional currency of the Foundation is GBP (sterling). The legal status of the Foundation is that of a Royal Charter Charity.

The accounting policies and estimation techniques have been applied consistently from prior years. A review of the Foundation's activities is set out in the Governors' Report on pages 2 to 30. A review of the financial position of the Foundation, its cash flows, liquidity position and investment position are set out in pages 19 to 24. The Foundation produces an annual business plan and the Governors are satisfied that the Foundation can meet its operational plans from its own resources.

The Foundation has considerable liquid financial resources and it also has no borrowings. As a consequence, the Governors believe that the Foundation is well placed to manage its operating risks successfully and is a going concern.

The Foundation, through its Investment Committee, reviews at each meeting the credit rating of all institutions with which it deposits funds and also reviews the portfolio for credit risk.

The charity has taken advantage of the exemptions in FRS 102 from the requirements to present a charity only cash flow statement and certain disclosures about the charity's financial instruments.

b. Basis of consolidation

The consolidated statement of financial activities, the consolidated balance sheet and the consolidated cash flow statement included the financial statements of the Foundation and its subsidiary undertaking (Justice Collaborations) up to 30 June 2023, using the line by line method. Intra group transactions are eliminated fully on consolidation. The total and net income for the Foundation for the year are shown on page 35.

c. Income

Investment income comprises income from investment funds, fixed income bonds, short term fixed deposits and cash funds. Interest on deposits and cash funds is recognised on an accruals basis. Dividends are recognised from the ex-dividend date when they become receivable.

Donation and legacy income comprises restricted funds received from external donors for specific programmes as disclosed in note 13. This income is recognised when the organisation is entitled to the income, receipt is probable, and the amount can be reliably measured.

d. Investment assets

Investments are initially recognised at cost and valued at closing market prices ruling at the balance sheet date which give rise to unrealised gains and losses during the period. These amounts are included under “net gains/(losses) on investment” in the Statement of Financial Activities, which also reflects the difference between the net proceeds from sale of investments and mid-market value at the previous period end.

Net liquid resources comprise cash held in deposit accounts as part of long-term investment planning.

e. Tangible fixed assets

All tangible fixed assets costing over £5,000 are capitalised. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life.

Depreciation is charged when an asset is brought into use at the following rates:

Furniture and equipment: 20-50% of cost per annum.

Assets that are impaired in value are written down to their impaired value.

f. Leases

Operating lease expenses are charged to the Statement of Financial Activities over the life of the lease on a straight-line basis.

g. Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Raising funds

This heading includes the investment management costs (Cambridge Associates Ltd in the period to 30 October 2021 and Sarasin & Partners in the period to 30 June 2022), the cost of any other advice relating directly to the investment portfolio and an allocation of staff time in dealing with the Foundation’s investments on a day-to-day basis.

Charitable activities

The costs under this heading are further split between grants, grant-making and research, other direct costs and governance in note 5. Staff costs are allocated to these subheadings based on an estimate of time spent on each activity.

Grants are charged to the Statement of Financial Activities when the award is communicated to the recipient and thereby a constructive obligation arises.

Grant-making and research costs include costs of research commissioned and/or carried out by the Foundation, grantee events, costs directly associated with the Justice First Fellowship and Future Advice programmes and an allocation of staff time spent on grant awarding and monitoring.

Other direct costs include office rent and expenses, IT maintenance and website development, insurance and an allocation of staff time spent on support functions including bookkeeping and statutory reporting.

Governance costs include costs of audit fees and costs associated with the functions of the Governors and the cost of the external advisor to the Audit Committee.

Other

The costs in this heading are explained fully in note 5.

h. Going concern

The Governors have reviewed the Foundation's forecasts and projections covering a period that exceeds twelve months from the date of signing these financial statements and based on the levels of available cash, commitments made by funders and having taken into account economic conditions, the Governors are satisfied that the Foundation has adequate resources to continue in operation for the foreseeable future. Accordingly, the going concern basis has been used in preparing these financial statements.

i. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the Balance Sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the Statement of Financial Activities.

j. Fund accounting

The Foundation has various types of funds for which it is responsible, and which require separate disclosure. These are as follows:

Restricted funds

Donations or legacies received, or income arising from such, which are earmarked by the donor for specific purposes. Such purposes are within the overall aims of the Foundation.

Unrestricted funds

Funds are expendable at the discretion of the Governors in furtherance of the objects of the charity. In addition to expenditure on grants, such funds may be held in order to finance capital investment and working capital.

k. Pension costs

For the defined benefit scheme, the amount charged to resources expended is the current service costs. Past service costs/gains are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs/gains are recognised over the period until vesting occurs. The interest cost and the expected return on the assets are also shown under the relevant category of resources expended. Actuarial gains and losses are recognised immediately in the Statement of Financial Activities.

The assets of the defined benefit scheme are held separately from those of the Foundation, in separate pension Trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities.

Where there is a surplus in the funded scheme, this is considered irrecoverable as the Governors consider it cannot currently be recovered against future service costs or by future refund. Therefore, a restriction is applied to the surplus to exclude it from the balance sheet.

Following the closure of the Defined Benefit scheme to future service accrual from 31st August 2021, a number of staff have joined a group self-invested pension plan from 1st September 2021. Contributions to this scheme are charged to the Statement of Financial Activities as they are incurred.

l. Value added tax

Expenditure is stated gross of irrecoverable value added tax (VAT).

During 2020, the Foundation formed a VAT group with its subsidiary, Justice Collaborations, and hence is jointly and severally liable for amounts owed by any member of that VAT group in respect of unpaid VAT.

m. Tax status

The organisation is a registered charity and, as such, for taxation purposes, is entitled to exemption from United Kingdom taxation under the Income and Corporation Taxes Act 1988 and may recover income tax incurred on its UK investment income and part or all of its investment income earned in other jurisdictions.

n. Provisions

Where contracts become onerous, full provision is made for the estimated future costs of the contract. Consideration is given to whether discounting future cash-flows would have a material impact and the provision is calculated accordingly.

o. Related party transactions

Transactions with related parties are disclosed in the notes to these financial statements. The Foundation's policy is for Governors, Executives and advisers to declare their interest and exempt themselves from all relevant discussions and decisions which may involve a transaction with a related party or in which they may have a conflict of interest. Details of related party transactions are included in note 17.

p. Financial instruments

Financial assets and liabilities are recognised on the Foundation's balance sheet when the Foundation becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are recognised at cost less any relevant impairment for estimated irrecoverable amounts.

q. Significant judgements and estimates

The Foundation, in preparing its accounts, makes judgements and estimates concerning the future that have a significant effect on the amounts recognised in the accounts in regard to two main areas.

Judgements:**Onerous lease**

The lease was re-assigned on 9 April 2019.

Note 18 provides further information regarding the current position and judgements which have been made regarding potential future liabilities associated with the lease.

Estimates:**Pension scheme**

The key assumptions used for FRS102 are agreed by the Foundation on advice from the Scheme Actuary and are listed in note 14.

2. Income

	Group		Foundation	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Investment Income				
Income from investment funds	4,748	2,524	4,748	2,524
Interest on bonds	162	138	162	138
Interest on short term fixed	29	2	29	2
	4,939	2,664	4,939	2,664
Voluntary Income				
Grants	6,657	2,466	152	1,029
Other Income	296	20	296	96
	11,892	5,150	5,387	3,789

Incoming grants are all allocated to restricted funds. Details are shown in note 13.

3. Transactions with Governors and connected persons
Group and Foundation

The number of Governors who claimed travel and subsistence expenses was 3 (2022 - 2). The total amount claimed in each of these years was less than £1k. The Governors do not receive any remuneration.

4. Net income/(expenditure)

	2023 £'000	2022 £'000
Net income/(expenditure) for the year is stated after charging:		
Operating Leases – Rent of Land and Buildings:		
Foundation only	43	68
 Fees payable for services provided by the auditor and the auditor's related entities (including irrecoverable VAT):		
Auditor's Remuneration RSM UK Audit LLP:		
Foundation	35	31
Justice Collaborations	16	15
 All other non-audit services:		
Foundation	6	-

5. Analysis of total expenditure

Group	Staff Costs £'000	Other £'000	Total 2023 £'000	Total 2022 £'000
Raising funds				
Investment management costs	-	919	919	493
Charitable activities				
- Grants	-	9,246	9,246	11,232
- Grant-making and research	890	675	1,565	1,174
- Other direct costs	625	896	1,521	1,118
- Governance	10	110	120	136
	1,525	10,927	12,452	13,660
Other				
Pension scheme management costs	-	395	395	467
Other pension scheme charges	-	80	80	56
Onerous lease	-	-	-	(6)
	-	475	475	517
	1,525	12,321	13,846	14,670

Foundation	Staff Costs £'000	Other £'000	Total 2023 £'000	Total 2022 £'000
Raising funds				
Investment management costs	-	919	919	493
Charitable activities				
- Grants	-	6,794	6,794	7,308
- Grant-making and research	892	597	1,489	1,051
- Other direct costs	628	843	1,471	1,052
- Governance	10	68	78	97
	1,530	8,302	9,832	9,508
Other				
Pension scheme	-	395	395	467
Other pension scheme charges	-	80	80	56
Onerous lease	-	-	-	(6)
	-	475	475	517
	1,530	9,696	11,226	10,518

A breakdown of grants awarded during the year is given in note 16 and is referred to in the Governors' Report.

Other pension scheme charges

Details of the costs of the defined benefit pension scheme and unfunded pension are provided in note 14.

Onerous lease

The lease was reassigned in 2019 and an accrual for associated costs was written back. Further information on the lease is provided in note 18.

Staff costs

	2023 £'000 Group	2023 £'000 Foundation	2022 £'000 Group	2022 £'000 Foundation
Wages and salaries	1,235	1,235	1,047	945
Social security costs	127	127	122	110
Pension costs	168	168	272	248
	1,530	1,530	1,441	1,303
Temporary staff costs	5	5	-	-
	1,535	1,535	1,441	1,303

Termination payments of £32,000 were made to 1 person (2022: Nil).

The number of employees earning in excess of £60,000 per annum, including their taxable benefits, in bands of £10,000 were:

	Group 2023 No.	Group 2022 No.
£60,001 - £70,000	1	1
£70,001 - £80,000	2	2
£80,001 - £90,000	-	1
£110,001-£120,000	-	1
£120,001 - £130,000	2	1

The above amounts include as appropriate salary, medical insurance costs and employee contributions to pension schemes made through salary sacrifice.

During the year ended 30 June 2023, all six of the staff included in the salary banding table above were active members of the defined contribution pension scheme. During the ended 30 June 2022, five of the staff included in the salary banding table above were active members of the defined contribution pension scheme and one was not a member of any scheme.

The average number of employees, analysed by organisation, was:

	2023 No.	2022 No.
Foundation	20	17
Justice Collaborations	-	3

The average full-time equivalent number of employees in the Group was 18 (2022: 17).

Remuneration of key management personnel

Key management personnel are deemed to comprise the Trustees, Chief Executive and Senior Management Team (comprising: Director of Grants, Director of Operations, Director of Strategy, Director of Research).

Their aggregate remuneration in the current year including pension benefits was £507k (2022: £578k).

Ratio of highest to lowest salary costs

Reflecting our focus on pay transparency and in line with NCVO guidance, the ratio between the highest salary (2023: £129k, 2022: £124k) and the median salary (2023: £51k, 2022: £50k) in the Group is 2.48:1, (2022: 2.48:1). The ratio of the top salary to the lowest as at 30 June 2023 was 3.68:1 (2022: 3.76:1). These calculations are based on Full Time Equivalent salaries before pension salary sacrifice adjustments.

6. Tangible assets

Group and Foundation

	Furniture & equipment £'000	Total £'000
Cost at 1 st July 2022	7	7
Disposal in the year	<u>(7)</u>	<u>(7)</u>
Cost at 30 th June 2023	<u>-</u>	<u>-</u>
Accumulated depreciation at 1 st July 2022	7	7
Depreciation disposal in the year	<u>(7)</u>	<u>(7)</u>
Accumulated depreciation at 30 th June 2023	<u>-</u>	<u>-</u>
Net book value at 30 th June 2023	<u>-</u>	<u>-</u>
Net book value at 30 th June 2022	<u>-</u>	<u>-</u>

7. Fixed asset investments

Group and Foundation

	2023 £'000	2022 £'000
Market value at 30th June		
Pooled funds		
Growth driver funds	5,531	13,622
Diversifier funds	51	51
Fixed income	26,876	11,076
Equities	191,113	173,118
Property	10,569	16,581
Alternatives	27,669	35,433
Cash/liquid assets	5,822	12,773
	<u>267,631</u>	<u>262,654</u>

The investment portfolio was held solely in a range of managed pooled funds until September 2021. Following the appointment of Sarasin & Partners as investment managers the majority of the holdings in pooled funds were sold and the proceeds transferred to Sarasin's to invest on behalf of the Foundation.

Reconciliation of opening & closing market values

	2023	2022
	£'000	£'000
Market values as at 1 st July	262,654	283,591
Additions at cost	115,561	339,454
Disposals at cost	(126,417)	(340,691)
Investment gains/(losses)	15,833	(19,700)
Market value of investments as at 30 th June	<u>267,631</u>	<u>262,654</u>
Historical cost of investments at 30 th June	<u>272,470</u>	<u>277,387</u>

Reconciliation of movements in unrealised gains on investment assets

	2023	2022
	£'000	£'000
Unrealised (losses)/gains at 1 st July	(14,733)	87,466
Movement in the year	<u>12,061</u>	<u>(102,199)</u>
Unrealised losses at 30 th June	<u>(2,672)</u>	<u>(14,733)</u>

8. Debtors

	2023	2023	2022	2022
	£'000	£'000	£'000	£'000
	Group	Foundation	Group	Foundation
Other debtors	26	26	12	12
Onerous lease	10	10	667	667
Intercompany	-	92	-	23
Tax and social security	20	20	-	-
Prepayments and accrued income	6,932	994	4,101	1,222
	<u>6,988</u>	<u>1,142</u>	<u>4,780</u>	<u>1,924</u>

The onerous lease balance relates to £10k (2022: £667k) due from the lease assignee in instalments commencing in January 2022. See note 18 for more information regarding the onerous lease.

9. Current asset investments

	2023	2022
	£'000	£'000
Group and Foundation		
Cash and cash deposits	3,540	6,381
Short-dated bond portfolio	4,954	4,455
	<u>8,494</u>	<u>10,836</u>

Losses on the short-dated bond portfolio in the year were £224k (2022: losses £237k). The increased level of losses in the prior year resulted from a number of bonds, which were purchased at a premium in 2017, maturing in 2022.

10. Creditors due within one year

	2023 £'000 Group	2023 £'000 Foundation	2022 £'000 Group	2022 £'000 Foundation
Grants payable	10,998	7,683	9,655	6,768
Other creditors	248	244	577	203
Tax and social security	-	-	37	33
Accruals	284	320	404	351
	<u>11,530</u>	<u>8,247</u>	<u>10,673</u>	<u>7,360</u>

11. Creditors due after more than one year

	2023 £'000 Group	2023 £'000 Foundation	2022 £'000 Group	2022 £'000 Foundation
Grants payable	5,339	3,209	6,212	3,913

12. Analysis of net assets between funds**Group**

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2023 £'000	Total 2022 £'000
Fixed assets	267,631	-	267,631	262,654
Current assets	10,485	11,972	22,457	21,482
Liabilities <1 year	(8,247)	(3,283)	(11,530)	(10,673)
Liabilities >1 year	(5,094)	(2,130)	(7,224)	(8,315)
	<u>264,775</u>	<u>6,559</u>	<u>271,334</u>	<u>265,148</u>

Foundation

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2023 £'000	Total 2022 £'000
Fixed assets	267,631	-	267,631	262,654
Current assets	10,485	3	10,488	13,199
Liabilities <1 year	(8,247)	-	(8,247)	(7,360)
Liabilities >1 year	(5,094)	-	(5,094)	(6,016)
	<u>264,775</u>	<u>3</u>	<u>264,778</u>	<u>262,477</u>

13. Funds

Movements in funds - Group

	At 1.7.22 £'000	Movement in funds £'000	At 30.6.23 £'000
General funds	264,577	2,083	266,660
Funds excluding pension liability	264,577	2,083	266,660
Unfunded pension liability	(2,103)	218	(1,885)
	262,474	2,301	264,775
Restricted funds	2,674	3,885	6,559
Total funds	265,148	6,186	271,334

Movement in funds - Foundation

	At 1.7.22 £'000	Movement in funds £'000	At 30.6.23 £'000
General funds	264,577	2,083	266,660
Funds excluding pension liability	264,577	2,083	266,660
Unfunded pension liability	(2,103)	218	(1,885)
	262,474	2,301	264,775
Restricted funds	3	-	3
Total funds	262,477	2,301	264,778

Restricted Funds

	At 1.7.22 £'000	Income £'000	Expenditure £'000	At 30.6.23 £'000
Foundation				
- Justice First Fellowship	3	152	(152)	3
Justice Collaborations				
- Justice Together Initiative	2,671	7,770	(3,885)	6,556
Less: grant awarded by parent to subsidiary	-	(1,265)	1,265	-
Consolidated Group total	2,674	6,657	(2,772)	6,559

Justice First Fellowship

Information on the Justice First Fellowship is included in the Governors' Report on page 7. The majority of the funders of this programme have agreed to fund a specific host or hosts in a given year.

Justice Collaborations

The grants awarded to Justice Collaborations are all contributions to the Justice Together Initiative.

14. Pension (liability)/asset

Group and Foundation

The Foundation operates a funded defined benefit contributory Pension Scheme providing benefits based on members' final pensionable salary at retirement, death or leaving service. The Scheme was closed to new members during 2019 and closed to accrual on 31 August 2021.

When the defined benefit scheme closed to new members, new staff members were auto enrolled into the NEST scheme. Following the closure of the defined benefit scheme to future accrual, a new Group Self Invested Pension (GSIP) scheme was set up. All staff, of both the Foundation and its subsidiary were members of the GSIP at 30th June 2023.

The defined benefit scheme is a separately constituted trust with member nominated Trustees and Foundation appointed Trustees. Under the Trust Deed the employer decides the benefit structure and the Trustees, on the advice of the Scheme Actuary, decide the required funding rate.

The assets of the Scheme, including purchased annuities, are held separately from those of the Foundation.

This scheme is currently in surplus as calculated in accordance with the FRS102 valuation basis. However the Governors consider that the surplus cannot currently or in the foreseeable future be recovered against future service costs or by future refund and is therefore excluded from the Balance Sheet.

During the year, the Foundation paid Pension, Life Assurance Contributions and administration costs to the Scheme of £396k (2022: £340k) comprising normal contributions of £396k (2022: £340k) and special payments of £nil (2022: £nil). Contributions totalling £nil (2022: £nil) were prepaid at the year end.

The Foundation maintains responsibility for a legacy unfunded pension which is currently in payment. The Pension Liability shown on the Balance Sheet relates to this pension.

The principal assumptions used for the FRS 102 valuation were as follows:

	2023	2022
	%	%
Discount rate	5.2	3.9
Future increase in RPI	3.2	3.1
Future increase in CPI	2.5	2.3
Retail price Index pension increases		
- max 5%	3.2	2.5
- max 2.5%	2.5	2.15
Future rate of pension increases in deferment	2.5	2.3

It has been assumed that members reaching normal retirement date will exchange 67% of the maximum allowable amount of their pension for cash at retirement. This is based on the post 'A-day' definition of maximum cash.

Mortality assumptions used are in line with 100% of the PxA16 tables based on Members' year of birth, improving in line with CMI 2022 projections with a 1.5% p.a. long-term trend for females and males.

Average expected future life at age 65:

	1 July 2023	1 July 2022
Male currently aged 65	23.2	23.7
Female currently aged 65	25.3	25.7
Male currently aged 45	24.7	25.2
Female currently aged 45	27.0	27.4

The assets in the scheme are:	2023 £'000	2023 £'000	2022 £'000	2022 £'000
Funded scheme				
Corporate bonds and gilts	86,071		116,271	
Asset backed credit	3,492		4,694	
Private credit	3,144		9,733	
Purchased annuities	43,336		53,212	
Cash	934		2,877	
Total market value of assets	136,977		186,787	
Actuarial value of liabilities	(122,693)		(146,137)	
Net surplus in the funded scheme		14,284		40,650
Unfunded pension liability				
Actuarial value of liabilities	(1,885)		(2,103)	
Net deficit in the funded scheme		(1,885)		(2,103)
Net surplus in the scheme (funded and unfunded)		12,399		38,547
Less: Irrecoverable pension scheme surplus		(14,284)		(40,650)
Net unfunded pension liability		(1,885)		(2,103)

The total net surplus of the funded scheme pension liabilities at 30 June 2023 on the FRS 102 basis was £12 million, all of which is considered irrecoverable. The restriction represents the surplus in the funded Scheme which the Governors consider cannot currently be recovered against future service costs or by future refund and is therefore excluded from the Balance Sheet.

The movement in the restricted amount has been charged to the Statement of Financial Activities under the heading other resources expended.

Assets are valued at the bid value. FRS 102 regulations require the expected rate of return on assets to be based on the Discount Rate. The liabilities are valued using a market rate derived from high quality corporate bonds and do not depend upon the assets in which the pension is invested.

The actual return on the Scheme assets in the year was (32.3)% (2022: -29.3%).

Sensitivity of assumptions	2023 %	2022 %
A 0.5% reduction in discount rate	7.2	7.6
A 0.5% increase in price inflation	3.3	4.2
A one-year increase in average age of member on death	4.2	4.2

The above sensitivities show the impact of various changes on the net pension surplus/deficit.

Risk

The Trustees, with the support of the Governors, have continued to take four main steps to reduce risk:

- i. Purchased annuities for pensions in payment when overall market conditions have been appropriate to do so.
- ii. Followed a liability driven investment policy
- iii. Hedged against interest rate and inflation fluctuations.
- iv. Do not hold any equities.

Analysis of the amount charged to expenditure

	2023 £'000	2022 £'000
Current service cost	-	41
Other costs	892	1,060
Total operating charge	892	1,101
Expected return on scheme assets	(7,211)	(4,858)
Restriction on charge relating to funded pension scheme liability	683	(222)
Interest on pension liabilities	5,718	4,035
Net return	(810)	(1,045)
Total	82	56

Analysis of amount recognised in the Statement of Financial Activities as actuarial gains and losses

	2023 £'000	2022 £'000
Actual return less expected return on scheme assets	(51,399)	(59,589)
Experience loss arising on the liabilities	(1,097)	3,739
Changes in assumptions underlying the present value of liabilities	25,241	51,572
Actuarial gains before restriction	(27,255)	(4,278)
Restriction of negative movement on pension scheme asset	27,449	4,979
Actuarial gains	194	701
Cumulative amounts recognised as actuarial losses	(40,823)	(41,017)

Movement in liabilities during the year

	2023 £'000	2022 £'000
Liabilities at the beginning of the year (funded scheme and unfunded arrangements)	148,240	208,112
Movement in the year:		
Current accrual cost	-	41
Interest cost	5,718	4,035
Gain on curtailments	-	(70)
Loss on changes in assumptions	(25,241)	(51,572)
Experience (gain)/loss on liabilities	1,097	(3,739)
Experience change in secured pensioner value	(1,846)	(6,016)
Benefits paid	(3,390)	(2,551)
Liabilities at the end of the year (funded scheme and unfunded arrangements)	124,578	148,240

Liabilities at the year-end included £1,885k (2022: £2,103k) in respect of unfunded arrangements outside the Scheme. £99k was paid in respect of this arrangement during the year.

Movement in scheme assets during the year

	2023 £'000	2022 £'000
Scheme assets at the beginning of the year	186,787	250,706
Movement in the year:		
Expected return on scheme assets	7,211	4,858
Actuarial loss	(51,399)	(59,589)
Death in service insurance premiums paid	-	(6)
Expenses paid by scheme	(892)	(1,054)
Experience change in secured pensioner value	(1,846)	(6,016)
Employer contributions	400	340
Benefits paid directly from scheme assets other than annuities	(3,284)	(2,452)
Scheme assets at the end of the year	136,977	186,787

History of experience gains and losses

	2023 £'000	2022 £'000	2021 £'000	2020 £'000	2019 £'000
Scheme assets	136,977	186,787	250,706	270,577	241,118
Pension liabilities: funded scheme and unfunded arrangements	(124,578)	(148,240)	(208,112)	(207,291)	(187,612)
Net surplus: funded scheme and unfunded arrangements	12,399	38,547	42,594	63,286	53,506
Experience adjustments on scheme assets	(51,399)	(59,589)	(17,620)	29,081	11,632
Experience adjustments on scheme liabilities	(1,097)	3,739	1,760	(951)	(1,819)

Expected contributions payable by the Foundation to the Scheme for the year to 30th June 2023 are £400k. No special payments are planned due to the surplus of £14 million in funded Scheme assets at 30th June 2023.

The contributions expected in the year to 30 June 2023 are only in relation to scheme running costs. No contributions are due in relation to staff pensions due to the closure of the scheme to future accrual from 31 August 2021.

15. Operating lease commitments

Group and Foundation

Total minimum lease payments due to be made under non-cancellable operating leases:

	2023 £'000	2022 £'000
Not later than 1 year	-	35
	-	35

16. Grants

Foundation	£000s	No.
Fairer systems	1,524	10
Stronger sector – general grants	2,838	14
Stronger sector – Justice first fellowship	1,974	1
	6,336	43
Justice Collaborations		
Less: grant award from the Foundation to Justice Collaborations	(1,265)	
Total	5,071	

The details of the new grants awarded in the year are shown on the following pages:

Programme	£000s
Fairer Systems	1,524
Centre for Military Justice	30
Centre for Women's Justice	150
Committee on the Administration of Justice (CAJ)	190
Equally Ours	219
Hansard Society	90
Independent Workers' Union of Great British (IWGB)	75
Institute for Public Policy Research (IPPR)	150
Institute of Welsh Affairs (IWA)	125
Liberty	300
Suzy Lamplugh Trust	195
Stronger Sector	2,838
Civic Power Fund	20
Council of Somali Organisations	150
Greater Manchester Law Centre	150
Grwp Llywio Canolfan Gyfraith Y Gogledd / North Wales Law Centre	150
Steering Group	
Independent Provider of Special Education Advice (IPSEA)	150
Justice Collaborations	1,000
Law Centre Network	30
Legal Aid Practitioners Group (LAPG)	450
Migrants At Work Ltd	62
Mosac	80
Project Seventeen	167
RCJ Advice	200
Revoke CIC	90
The Association of Community Organisations for Reform Now Ltd (ACORN)	139
The Immigration Law Practitioners' Association	150
Justice first fellowship	1,974
Bristol Law Centre	107
Central England Law Centre	90
Centre for Women's Justice	119
Child Poverty Action Group (CPAG)	190
Children's Law Centre	102

Community Advice and Law Service	110
Greater Manchester Immigration Aid Unit	103
Greenwich Housing Rights	100
Housing Rights	80
JustRight Scotland	108
Law Centre Northern Ireland	100
North East Law Centre	76
Shelter	102
South Wales Law Centre Ltd trading as Speakeasy Law Centre	86
Southwark Law Centre	140
The Community Law Partnership	76
Tower Hamlets Law Centre	109
Vauxhall Community Law & Information Centre	92
Wilson Solicitors LLP	84
Total	6,336

Grants awarded by Justice Collaborations:

Organisation	Advice and Representation £000s	Influencing £000s	Total £000s
East Midlands	600		600
Community Advice and Law Service	450		450
New Europeans UK	150		150
London	40		40
EERC	20		20
Work R Centre	20		20
East of England	350		350
One Stop Advice & Training Centre	100		100
GYROS (Great Yarmouth Refugee Outreach Support)	250		250
National		770	770
Reunite Families		20	20
Asylos		20	20
Institute for Public Policy Research (IPPR)		158	158
Focus on Labour Exploitation		220	220
Citizens UK		352	352
South West	500		500
Bristol Law Centre	500		500
Wales	400		400
Asylum Justice	400		400
West Midlands	475		475
Coventry Asylum and Refugee Action Group (CARAG)	50		50
The Refugee and Migrant Centre: Black Country and Birmingham	425		425

Cost of Living awards to existing grantees	210	104	314
Development grants	19		19
Norfolk Community Law	19		19
Infrastructure - National	250		250
Asylum Aid	250		250
Total	2844	874	3718

17. Related party transactions

Grantee	Trustee/Key management	Relationship	Grant awarded in the year ended 30.6.22 £000s	Grant awarded in the year ended 30.6.23 £'000s	Balance outstanding at 30.6.23 £'000s
JusticeRight Scotland	Jen Ang	Employee	-	127	285
Asylum Aid	Alison Pickup	Director	95	-	48
British and Irish Legal Information Institute (BAILLI)	Guy Beringer	Trustee of BAILLI	52	-	-
Public Law Project	Alison Pickup	Director	-	-	196
Settled	Jen Ang	Employee	-	13	147
			147	140	676

None of the above Trustees took part in any discussions or decisions regarding a grant to a party to whom they are related. Guy Beringer ceased to be a Governor from November 2021.

Paddy Sloan is an employee of the BBC and during the prior year £329k of grants were awarded to the Foundation by BBC Children in Need. Paddy Sloan took no part in the decisions to award the grants to the Foundation.

R Takens-Milne, a member of the senior management of Justice Collaborations and employee of The Legal Education Foundation is also a Trustee of Women for Refugee Women. A grant of £150k was awarded to that organisation in the year ended 30 June 2021. An additional cost of living award of £8k was made in the year ended 30.6.23. The balance outstanding at 30 June 2023 was £83k.

J Lee, a member of the senior management of Justice Collaborations and employee of The Legal Education Foundation is also an employee of Unbound Philanthropy. Unbound Philanthropy awarded a grant of £240k to Justice Collaborations in the year ended 30.6.22.

In addition to the figures above, a grant was awarded to Asylum Welcome in the year ended 30 June 2022. The grant is a partnership with a number of other organisations, including Settled. The share of the funding which will be passed on to Settled over the three years of the grant is £73k. An additional cost of living award of £19k was made to Asylum Welcome in the year ended 30.6.23.

A Pickup is no longer a Director of Public Law Project but was at the time the grant application was approved.

Justice Collaborations

Paddy Sloan and Alison Pickup were Trustees of both The Legal Education Foundation and its wholly owned subsidiary, Justice Collaborations, during the year. The Chief Executive of The Legal Education Foundation is also a Trustee of Justice Collaborations. During the year the Foundation awarded grants to Justice Collaborations of £1,265k. (2022: £250k).

During the year, £283 of costs (2022: £76k) were recharged from The Legal Education Foundation to Justice Collaborations. There was a balance due to the Foundation of £92k at 30 June 2023 (30 June 2022: £23k).

18. Contingent assets and contingent liabilities

Group and Foundation

Onerous lease

A contingent liability remains for the Foundation if the assignee of the lease is unable to meet any liabilities that fall due until the end of the lease in March 2028.

Due to the impact of COVID on the assignee's business, the landlord agreed to defer two quarters rent and an agreement was also reached under which the Foundation agreed to pay the rent due under the lease for the year 2021 on behalf of the assignee. The assignee agreed to repay the Foundation in equal instalments over the 18 months from January 2022. All payments have been made as per the agreement. The amount due to the Foundation at 30 June 2023 was £10k (2022: £667k) and is included in debtors (see note 8).

The Foundation continues to monitor the situation and at this time considers that a provision is not required.

19. Subsidiary undertakings

Justice Collaborations (registered charity number: 1187441; company registration number: 12328192)

Justice Collaborations was established in 2019 as a registered charity and a company limited by guarantee. It is registered in England and Wales and is a wholly owned subsidiary of The Legal Education Foundation. The Legal Education Foundation is the sole member of Justice Collaborations and the liability of the member is limited to £1.

20. Reconciliation of consolidated net expenditure to net cash outflow from operating activities

	2023	2022
	£000s	£000s
Net expenditure for the reporting period (as per the statement of financial activities)	(1,954)	(9,520)
Adjustments for:		
Dividends and interest from fixed asset and current asset investments	(4,939)	(2,785)
Decrease in provisions	(218)	(744)
(Increase)/decrease in debtors	(2,208)	1,952
(Decrease)/Increase in creditors	(16)	4,179
Difference between pension cost charged and contributions paid	194	701
Net cash used in operating activities	(9,141)	(6,217)
Analysis of cash and cash equivalents:		
Cash at bank and in hand	6,975	5,866
Current asset investments	3,540	6,382
Total cash and cash equivalents	10,515	12,248

21. Comparative statement of analysis of net assets between funds**Group**

	Unrestricted	Restricted	2022
	Funds	Funds	
	£'000	£'000	£'000
Fixed assets	262,654	-	262,654
Current assets	13,196	8,286	21,482
Liabilities <1 year	(7,360)	(3,313)	(10,673)
Liabilities >1 year	(6,016)	(2,299)	(8,315)
	<u>262,474</u>	<u>2,674</u>	<u>265,148</u>

Foundation

	Unrestricted	Restricted	2022
	Funds	Funds	
	£'000	£'000	£'000
Fixed assets	262,654	-	262,654
Current assets	13,196	3	13,199
Liabilities <1 year	(7,360)	-	(7,360)
Liabilities >1 year	(6,016)	-	(6,016)
	<u>262,474</u>	<u>3</u>	<u>262,477</u>

22. Comparative statement of movement in funds

Group

	At 1.7.21 £'000	Movement in funds £'000	At 30.6.22 £'000
General funds	292,076	(27,499)	264,577
Funds excluding pension liability	292,076	(27,499)	264,577
Unfunded pension liability	(2,847)	744	(2,103)
	289,229	(26,755)	262,474
Restricted funds	5,556	(2,882)	2,674
Total funds	294,785	(29,637)	265,148

Foundation

	At 1.7.21 £'000	Movement in funds £'000	At 30.6.22 £'000
General funds	292,076	(27,499)	264,577
Funds excluding pension liability	292,076	(27,499)	264,577
Unfunded pension liability	(2,847)	744	(2,103)
	289,229	(26,755)	262,474
Restricted funds	94	(91)	3
Total funds	289,323	(26,846)	262,477

FINAL TLEF 2023 Financial Statements - Final 121023

Final Audit Report

2023-10-16

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THE LEGAL EDUCATION FOUNDATION

England & Wales - Charity number 271297

Accounts

The Legal Education Foundation

Annual Report & Consolidated Financial Statements

Year to 30 June 2022

Foundation Details

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Charity Registration Number

271297

Principal Professional Advisers

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* Sarasin and Partners took over from Cambridge Associates, as the Foundation's investment advisors, in the first half of the year to 30 June 2022.

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Report of the Governors for the Year Ended 30 June 2022

CONSTITUTION

The Foundation is charity incorporated in 1962 and granted a Royal Charter in 1975. The ultimate control of the Foundation is vested in the Governors who are also its Trustees. They are appointed by the Members of the Foundation who are the current Governors together with those who were Governors within the previous five years and have not resigned as Members.

OBJECTS

The objects of the Foundation, as set out in its Royal Charter, are: 'To promote the advancement of legal education and the study of law in all its branches, and the sound development and administration of law.'

PUBLIC BENEFIT

The Governors confirm that they have referred to the Charity Commission's guidance on public benefit when considering the Foundation's aims and objectives, in planning future activities, and setting its grant-making policy. The information on the following pages, provides more detail on the benefit that the Foundation's activities provide to the public.

STRUCTURE

The Group consists of the Foundation and its wholly owned subsidiary Justice Collaborations. Justice Collaborations was incorporated on 22 November 2019, is a company limited by guarantee and received charitable status on 17 January 2020. The trustee Board of Justice Collaborations comprises three Trustees who are also Trustees of the Foundation, the Foundation's chief executive and two independent Trustees. Justice Collaborations' Objects incorporate those of the Foundation, but are wider.

KEY DEVELOPMENTS AND DELIVERY IN THE YEAR

CHARITABLE OBJECTS

Last year, we secured permission from the Privy Council and the Charity Commission to widen the charitable objects of the Foundation. Alongside the promotion of legal education and study of law, we also now promote the “sound development and administration of law.”

We were grateful to the Charity Commission and the Privy Council for the supportive dialogue around this change. The application to broaden our objects reflected learning from our first strategic plan following the transition from the College of Law to operating as a charitable foundation. In particular, we saw the ways in which the Foundation needed to be able to operate more flexibly and more widely in order to advance education and understanding of law for public good. We had also found that, in promoting legal education, a significant proportion of our work was assisting in advancing the sound development and administration of the law for the public benefit, for example, in the ways legal education can prevent legal disputes from arising in the first place. Similarly, lessons from our work have assisted in informing policymakers and civil servants about how to design and improve justice services and about wider constitutional, legislative and regulatory developments. The widened objects provide an exciting platform on which to take forward our existing strategy and as we start to develop our next strategic plan.

STRATEGY 2020 –2025

Context

The context we operate in has become increasingly harsh for people and the organisations in the field.

The Covid pandemic exacerbated the existing stark levels of inequality in the UK. Levels of poverty are rising and feel increasingly normalised in mainstream discourse. Over two million people in the UK are living in destitution, formally defined by work by the Joseph Rowntree Foundation as being unable to access two or more of the following resources – adequate shelter, food, heating, lighting, clothing or toiletries. Women, minoritised people, disabled people, pensioners, young people, single parents, families with more than three children and refugees are the most affected. Rising inflation and the growing cost-of-living crisis will make this worse as income drops and costs rise for communities and for the charities we support. Again, not everyone is affected equally – the poorest households will feel a much higher rate of inflation and low-income households will have to cut back more. For charities and community groups in our field, there have been sharp rises in the demand for services and in the cost of providing support whilst inflation erodes the value of grants, contracts, reserves and salaries.

The Foundation has had a longstanding interest in fundamental rule of law principles relating to the transparency and accountability of public institutions, and the protection of rights. That work feels even more urgent and difficult in the current context. The legal and constitutional implications of the decision to withdraw from the European Union continue to be felt in relation to rights and protections. There has also been extensive new legislation introduced this year that, taken together, reflects a comprehensive review of the UK’s constitutional settlement, including testing the limits of parliamentary sovereignty and arrangements for the four nations of the UK. Faith in public institutions has been challenged, as has the capacity of wider institutions such as the judiciary and civil society organisations to play their important roles in a functioning democracy. An increasingly hostile environment is emerging for those seeking to promote human rights and access to justice. The capacity of civil society to react and respond has been severely stretched.

Over this next phase, we, with others, have to find a way to build a positive case for the role of law in helping people to improve their lives and the lives of others. Our strategy will have to address profound questions about the role of philanthropy and independent foundations in a context of such dramatic shifts in conditions, and in the health and vitality of public systems and institutions.

Vision

Our vision is of a society that fosters the principles of justice and fairness, where people understand and use law to bring about positive change and to prevent harm, and where public systems and structures uphold the rule of law.

Strategic objectives

Three programme objectives are driving our work to 2025:

- Stronger Sector: Training and support for a thriving social justice legal sector
- Fairer Systems: Transparency, accountability and the protection of rights
- Smarter Justice: An enduring commitment to learning and evidence in the justice system.

How we work

In carrying out our work, we aim to uphold the following principles and practices:

- We see the Foundation as part of a mutual endeavour, establishing engaged and supportive relationships with those who share our vision, and bringing people together to build alliances and to share expertise.
- We seek to listen and learn, recognising the commitment and expertise that exists in the organisations we work with. We underpin our work with good information and analysis, continually building our knowledge and seeking to reflect this in our work.
- We aim to be a trusted voice, using our knowledge, networks and independence to influence those who can effect change.
- We have a responsibility to use the Foundation's resources to be bold, to support work that others cannot, or do not, and to take a long-term view.
- We seek to support and promote diversity and reflect lived experience in our work.
- We aim to be clear about the way we operate and the choices that we make.
- We marshal and deploy our resources thoughtfully and, as an organisation, seek to maintain the highest standards of operational and administrative efficiency.

Grant-making process and practice

The Foundation continues to be a signatory of the campaign launched by the Institute for Voluntary Action Research and London Funders calling on funders to adopt simpler, more flexible practices that make life easier for those they fund. The goals include funders committing to being more open and trusting by making grants in a way that reflects the realities facing civil society organisations now and for the foreseeable future as well as managing grants in ways that reflect funders' confidence in and respect for the organisations they fund.

This year we have looked further at the ways to enhance the impact of work that addresses social injustice through the use of legal education, legal services, advocacy and wider use of law to bring about social change. Aided by our broader charitable purpose, we are making longer term, more flexible grants and looking to make our programmes more accessible and open to a wider pool of organisations. We are placing a conscious emphasis on our work being rooted in people's lived experience of social injustice.

Communications

We recognise the importance and power of good communications in delivering our vision, mission and strategy. This year we began a review of our communications needs and approach. We appointed Forster Communications to

support us to do this and work has involved capturing perceptions of the Foundation among key constituencies and stakeholders across the political spectrum and mapping the range of communications approaches that we currently use and how we would like these to develop.

In recent times we have focused intense communications activity on selected areas of the Foundation's work. For example, we carried out extensive outreach with voluntary organisations and community groups in the development of the *Justice Together Initiative*, and a careful programme of public affairs and media engagement has been taken forward with the help of DRD Communications to implement the recommendations in the Foundation's *Digital Justice* report. Both examples, in different ways, have generated extremely positive outcomes in terms of engagement and influence. As set out in further detail below, work carried out by and funded by the Foundation has been covered widely across mainstream television and radio outlets, in newspapers including The Times, The Guardian, a wide range of local press, trade press and on social media. We have given evidence at Select Committees and Parliamentary inquiries and developed our cross-party connections.

We are keen to build on this work and, as we take forward our thinking around communications and influencing, key principles are that we:

- ensure that we are open, accessible and clear about what we do, the way we operate and the choices that we make;
- are positioned clearly in the context of a complex landscape with an approach that is authoritative, independent, constructive and passionate about social justice;
- amplify the voices of those who we work with, by helping to ensure they have the resources, skills and opportunities to be heard;
- consider carefully, when we use our voice, how we use the privilege of our position and that, when we engage publicly, we do so from a position of legitimacy and confidence.

Revised wording for our vision and mission will be announced next year and is aiming to be simpler and bolder, to reflect our widened charitable objects and to place our work in the increasingly harsh external context of increasing need and challenges to fundamental rights and rule of law.

Strategic objectives

This next section looks at our three strategic objectives in more detail.

Stronger Sector: Training and support for a thriving social justice legal sector

We currently operate an open grants programme under this area of the strategy which funds a range of activities including:

1. Development and delivery of legal education and training programmes to address systemic gaps in knowledge and practice among advice workers, paralegals, lawyers and managers.
2. Sharing learning and knowledge between practitioners and organisations to improve practice and to increase access to justice.
3. Policy work to influence the local or national statutory and regulatory framework for legal education.
4. Piloting and evaluating new approaches to delivering legal education, including, for example, flexible working, apprenticeships and remote supervision.

In delivering these activities, we welcome collaborations between organisations. We also recognise the role of second-tier organisations supporting other organisations instead of people directly in developing co-ordinated, system-wide responses to addressing gaps.

Key context for this programme

- The pace and scale of legislative reform is making it hard for organisations to ensure training materials and frontline advice are kept up to date. Keeping abreast of changes also takes up internal capacity.
- The end of Covid-19 emergency funding and the local authority budget squeeze has put further pressure on organisations to identify other sources of funding.
- Worsening poverty and the increasing impact of the cost-of-living crisis is leading to further increases in legal needs, putting pressure on casework and advice services. This means organisations have fewer opportunities to step back and reflect on strategy and direction.
- Legal Aid Agency (LAA) practice continues to put a high administrative burden on organisations, and sector contract holders often struggle to appoint supervisors who meet the stringent criteria set by the LAA. This is taking place at a time when the profession is losing senior staff, while some areas do not have sufficiently qualified people living locally.
- Advice agencies are facing ongoing significant losses in income, principally from legal aid. Inflation and the rising cost of energy is putting organisations' budgets under further pressure. The majority of agencies have reserves well below Charity Commission guidelines.

The table of new grants awarded in the year to 30 June 2022 under the Stronger Sector programme reflects the stated shift towards larger, longer-term grants.

Access Social Care	£18k	Leading a scoping exercise to understand the challenges to career pathways in community care law and recommending next steps.
Access Social Care	£221k	Establishing a social care legal sector community of practice to support policy and influencing work in relation to sustaining community care legal aid.
Advice NI	£170k	Developing and piloting online training courses as part of a professional development framework for legal advisors in key areas of law such as employment, housing, community care and mental health law in Northern Ireland.
Article 39	£118k	Providing legal training and support to independent advocates to improve the quality and effectiveness of advocacy as a mechanism for protecting and upholding children's rights.
Central England Law Centre	£300k	Core funding to embed a rights-based approach within wider social action and social justice organisations in the Midlands, using this work to influence wider system change.
Child Rights and Youth Justice C.I.C.	£86k	Establishing child criminal law as a specialism, supporting recommendations to raise the remuneration of child criminal advocacy and providing an evidence base for introducing an accreditation scheme to ensure quality of representation for children.
Citizens Advice Liverpool	£150k	Supporting Liverpool Access to Advice Network to enhance coordination, promote inter-agency referrals and improve knowledge among advice providers in the region.

Disability Rights UK	£285k	Working with Deaf & Disabled People's Organisations to strengthen the provision of advice and information and enhance referral networks.
Family Rights Group	£380k	Developing and delivering training to implement recommendations from the Care Crisis Review Public Law Working Group, aimed at the judiciary, magistrates, child welfare leaders, practitioners and families.
Greater Manchester Immigration Aid Unit	£150k	Strengthening GMIAU infrastructure to underpin a collaborative, strategic approach to transforming access to legal advice in the north west of England.
Justice Collaborations	£250k	Building immigration advice and advocacy capacity in organisations reaching Ukrainians and their families following the Russian invasion of Ukraine.
JustRight Scotland (JRS)	£180k	Sustaining and developing collaborative and inclusive models and partnerships between legal and non-legal organisations across the justice sector in ongoing and emerging areas of legal need in Scotland.
Law Centres Network (on behalf of Canolfan Gyfraith Y Gogledd)	£20k	Supporting the development phase of the proposed North Wales Law Centre.
Legal Aid Practitioners Group (LAPG)	£350k	The creation of a training and development hub to underpin a management career path in the advice sector and to provide training, expert assistance and mentoring on management, leadership and governance.
Norfolk Community Law Service Ltd (NCLS)	£150k	Supporting development work to create sustainable Family and Domestic Abuse legal services in Norfolk.
Public Interest Law Centre	£210k	Developing the centre as a hub for community lawyering, expanding public law to the immigration advice sector and building capacity at South West London Law Centres to take a community lawyering approach.
Rape Crisis Scotland	£190k	Working with women with experience of gender-based violence to develop training for police, judiciary and Crown Prosecutors to implement improvements to how sexual offences are prosecuted in Scotland.
Refugee Action	£300k	Supporting the Frontline Immigration Advice Project that helps individuals and organisations secure accreditation and registration with the Office of the Immigration Services Commissioner to deliver accurate, good quality advice.
Southwark Law Centre	£104k	Working in partnership with Social Inclusion Recovery Group to recruit, train and support a team of community advocates to provide advice and information for parents of minoritised children who are at risk of exclusion from school.
The AIRE Centre (Advice on Individual Rights in Europe)	£30k	Developing training on EU retained law and social welfare entitlements to ensure that local authorities, legal advisers and frontline workers, who engage with vulnerable EEA nationals and their families, understand their current immigration and social welfare rights.

The Immigration Law Practitioners' Association	£150k	Supporting pre-litigation research and third-party interventions that change law, policy and practice for people discriminated against because of their migration status.
Wiltshire Law Centre	£80k	Supporting development of the Law Centre through expanding its advice and representation to include housing and discrimination legal services.

The Stronger Sector programme also includes wider programmes and collaborations that the Foundation has instigated in order to tackle particular strategic challenges facing the sector.

Justice First Fellowship

The Justice First Fellowship is the Foundation's scheme to support the next generation of social justice lawyers. Since 2014, more than 120 Fellowships have been awarded across all four nations in the UK over eight cohorts, with recruitment currently underway for a ninth cohort that will start in April 2023. The Foundation has invested around £7.7 million in the scheme so far. Further expansion in the scale of the programme has been helped by the contributions of other funders and law firms now totalling over £4.1 million. Whilst the focus of funding and activity is on the two years that Fellows spend on the scheme completing their professional training and gaining wider skills and experience, the longer-term objective is to support Fellows into sustainable employment in social justice law. We monitor employment destinations over time and, so far, outcomes are excellent. Of the 88 Fellows that have graduated from the scheme, 90 percent are working as lawyers in roles using law for public benefit.

Fellows reflect a diverse range of backgrounds with a large proportion coming from minoritised communities or with direct lived experience of circumstances where they themselves have needed the support of social welfare legal advice services. The quality of candidates is extremely high and their commitment to social justice is clear.

Co-funding has been a positive feature of the scheme since inception. AB Charitable Trust, BBC Children in Need, City Bridge Trust, Allen & Overy, Herbert Smith Freehills, Linklaters and Skadden Arps Slate Meagher & Flom have partnered with us over multiple rounds.

Justice First Fellows are continuing to manage the impacts of shifts to hybrid working which reduced their opportunities for networking, court exposure and developing their project work. Reform to solicitor training under the Solicitors' Qualifying Examination (SQE) also means we are adapting the structure of JFF to help the social justice legal sector harness the potential benefits of SQE. Initial scoping work has been conducted this year which will inform how we take the scheme forward in 2022-23.

Whilst the outcomes of the scheme so far are very positive, wider pressures are going to make sustaining this increasingly challenging. However, it is important to see beyond the headline figures to recognise that in the course of their work Fellows every day are making such valuable contributions at increasingly significant scale – delivering casework, carrying out research, collaborating with each other and with other organisations, developing new services, making strategic use of law in tribunals and higher courts, including up to the Supreme Court, embracing communications activity, authoring regular articles in the press, and being interviewed about their work.

This year we appointed Deborah Acquah as Justice First Fellowship Manager. This post – our first with a full-time focus on the JFF scheme – will draw together the team at the Foundation that delivers the programme and Deborah is already extending the support we offer to Fellows and to host organisations. In early July 2022, we held our first JFF summer school residential at the University of Birmingham. It was wonderful opportunity for Fellows to meet each other and to work together, particularly after all the uncertainty and isolation brought about by Covid.

The Community Justice Fund

The Community Justice Fund was established in March 2020 as a response to the coronavirus pandemic and the challenges posed to the legal advice sector and those it supports. The Foundation worked together with other independent funders, AB Charitable Trust, Access to Justice Foundation, Indigo Trust and Therium Access to raise and distribute resources quickly to where they were needed. The work was driven and overseen by a steering group made up of advice sector umbrella bodies and frontline organisations.

Conscious that the effects of the pandemic would reach beyond the first lockdown, support was envisioned in two waves. Over £15million was raised and distributed with substantial contributions from the Ministry of Justice and the National Lottery. The fund went on to support 179 organisations. Funding was flexible, with grants being used in a variety of ways including office adaptations, purchase of IT equipment to allow staff to move to remote working, salaries for existing staff who would otherwise be furloughed or lose their jobs, and increased staff time or new staff to meet demand.

Although the Community Justice Fund helped to reduce the impacts of financial losses, the sector is still facing cashflow cliff edges in 2022-23 due to a combination of ongoing reduced income, increased demand, rising costs and challenges to service delivery. Advice agencies have told us of the importance of both continuing with crisis support to sustain and scale up services, while recognising there is longer-term work to strengthen access to justice over the next five to ten years.

TLEF has contributed considerable staff time and resource to the Community Justice Fund, and it has been a successful vehicle for furthering our strategic objectives. In particular, it has leveraged significant external funds towards the aims of our Stronger Sector programme.

Use of the law by civil society organisations

The Foundation, along with Esmée Fairbairn Foundation, is a partner in the Baring Foundation's Strengthening Civil Society programme. The focus of this work is to support the use of law and human rights-based approaches by civil society organisations. It reflects the importance of law as a relevant tool for bringing about aims and objectives such as tackling discrimination and disadvantage as well as helping to safeguard the independence of civil society. The programme is run as a combination of open application and proactive grants, with the Baring Foundation providing additional support to connect grantees and share learning.

A focus for the grant-making has been on supporting expert legal hub organisations. Hubs are defined as civil society organisations which have specific and demonstrable legal expertise relevant to their social change goals; offer expert legal information, advice and / or representation to civil society organisations; and collaborate to support others to recognise when, where and how legal action can be an effective tool of social change and/or use legal action to achieve social change. The funding available is designed to help hub organisations to scale their activities to enable them to work with more civil society organisations to challenge discrimination and disadvantage and create long-term social change.

Fairer Systems: Transparency, accountability and the protection of rights

The Foundation's second strategic objective focuses on enshrining rule of law principles in key areas of public policy. Our Fairer Systems programme focuses on two linked issues:

1. Constitutional, administrative and public law implications of the UK's revised constitutional settlement following Brexit and emergency provisions in place to respond to Covid-19. We are particularly interested in work to increase the understanding of these changes to help ensure transparency, accountability and the protection of rights.

2. Automated decision-making by government – ensuring that government digital systems, processes and its use of data are clear, fair, and protect people’s legal rights. We are particularly interested in the use of technology in relation to welfare benefits and immigration processes.

We are funding a range of activities across these two areas of focus, including:

1. Work to inform, advise, and support policymakers and decision-makers.
2. Co-ordination and networking between practitioners and organisations, including across sectors, to share learning and to increase effectiveness.
3. Building civil society organisations’ wider skills and knowledge in relation to our two areas of focus (above).

Key context for this programme

- A coordinated and comprehensive review of the UK’s constitutional settlement is underway. Major legislation was approved this year which will have profound impacts on rights and on civil society’s ability to engage. These include The Nationality and Borders Act 2022, The Police, Crime, Sentencing and Courts Act 2022, The Judicial Review and Courts Act 2022 and The Elections Act 2022.
- The Queen’s speech in May introduced further proposals including a new Bill of Rights which will reform the Human Rights Act 1998, a Brexit Freedoms Bill which will give ministers new powers and make it easier to amend EU laws, a Data Reform Bill which will form the UK’s data protection regime, A Victims Bill and a Levelling up and Regeneration Bill.
- The UK’s decision to leave the EU has caused significant challenges for the carefully constructed peace settlement in Northern Ireland and added fresh momentum to historic conflicts around identity and future constitutional arrangements that are increasingly confrontational in nature. Northern Ireland’s power sharing devolved government has effectively collapsed under the weight of these challenges.
- There is a renewed focus in Scotland on independence, with the First Minister Nicola Sturgeon asking the UK Supreme Court to rule on the legality of holding a new referendum on Scottish independence.
- All of this is set within the broader context of uncertainty and anxiety around increased financial hardship, the pressure being placed on civil society organisations working on anti-racism and social justice agendas, and the erosion of democratic norms.
- The decision of the Supreme Court in the US to repeal Roe vs Wade has caused great anxiety and concern over the impact in the US and more widely of efforts to row back other progressive rulings.

Grants

Below is a table of new grants awarded under the Fairer Systems programme in the year to 30 June 2022:

Child Poverty Action Group (CPAG)	£475k	Carrying out research, analysis and advocacy to ensure the Universal Credit system operates lawfully including in its use of automated decision-making.
Human Rights Consortium	£250k	Supporting an alliance of civil society organisations from across the UK to scrutinise and influence constitutional, administrative and legal changes taking place in the UK following withdrawal from the EU.

Human Rights Consortium Scotland	£200k	Creating and disseminating legal education resources, and facilitating civil society collaborations, so that Scottish civil society can scrutinise and influence legal, constitutional and administrative changes in Scotland and across the UK following withdrawal from the EU.
Just Fair	£70k	Building the capacity of civil society organisations to inform and advise policymakers and decision-makers about the implications of Covid-19 and withdrawal from the EU on economic, social, and cultural rights in the UK.
JUSTICE	£70k	Carrying out analysis and advocacy of government proposals for constitutional reform in relation rule of law principles, access to justice and protection of individual rights.
Open Trust	£77k	Working with the media, policymakers, and civil society to assess and increase transparency, accountability, and the protection of rights by examining the effectiveness of legal mechanisms that allow scrutiny over government decisions.
the3million	£99k	Building a network of civil society allies to support the creation of a culture of data and human rights compliance in relation to the collection, use and sharing of data on migrants by the UK state.
The Bureau of Investigative Journalism	£70k	Supporting new, community-centred investigations that strengthen the evidence base, raise public awareness and inform decision makers about the protection of rights in our legal systems.
The Constitution Unit (part of University College London)	£300k	Informing public and practitioner debate on constitutional principles and democratic standards in the UK.

Smarter Justice: An enduring commitment to learning and evidence in the justice system.

Access to good quality data is fundamental to the development of evidence-based policy making, to the design of effective interventions, to monitoring the fairness and lawfulness of processes and to the ability to evaluate and compare initiatives that aim to improve people's ability to secure their rights, protections and fair-treatment. Whilst other sectors, including health and education, have made significant progress in improving the quality of and access to data for research to improve outcomes, the justice system has lagged behind.

The overarching aim of the Smarter Justice programme is to address this challenge. Lessons from our first strategic plan about the scale of work needed in this field led the Foundation to develop an approach that has moved from more traditional grant-making to the series of concerted direct delivery, engagement, and influencing activities. The

primary vehicle for this is through the creation of a new strategic initiative called Justice Lab UK. Further recruitment to the team will be taken forward in 2022-23.

The Lab is delivering four programmes over the period 2020-2025:

Programme 1	Improve the quality and availability of justice system data
Programme 2	Increase the volume of robust quantitative research into the justice system and pioneer the use of advanced research methods in the study of justice system processes
Programme 3	Increase capacity in the research community to design and deliver robust, innovative quantitative justice system research
Programme 4	Improve the uptake of robust evidence in the design and operation of the justice system

Justice Lab: Key projects

Digital Justice

At the end of 2019, the Foundation published the report *Digital Justice* that contained a series of important recommendations to HM Courts and Tribunal Service and the Ministry of Justice around improving the collection, governance and use of justice system data. The Foundation has continued to maintain pressure on the Ministry of Justice to fund and implement the recommendations. This work has led to:

- a report from the Public Accounts Committee and recommendations requiring the Ministry of Justice to report on progress in response to the Digital Justice report in their treasury minute.
- a report from the House of Lords Constitution Committee calling on HMCTS to set out plans for implementing each of the recommendations of the Digital Justice report, the steps that will be taken and the timeline for doing so.
- amendments tabled to the Police Crime Sentencing and Courts Bill.
- work to form new alliances and relationships in parliament and with wider civil society organisations.
- evidence provided by Justice Lab for urgent action to improve data that is collected by the courts being cited in a publication by the House of Commons Justice Committee on court capacity.
- The National Audit Office's latest report into the backlog in criminal court cases cited Justice Lab's evidence around the paucity of ethnicity data collected in the justice system.
- The lab funded The Bureau of Investigative Journalism to carry out research into the experience of tenants facing eviction in the housing court. The report was featured across the BBC and print media. This highlighted the stories of people affected by the justice system, whose voices and experiences are not heard because they are missing from official data.

Open Justice in the digital age & the need to develop clear governance mechanisms for justice data

- New court and tribunal decisions from the superior courts of record – The Supreme Court, Court of Appeal, High Court, and Upper Tribunals – are now available on The National Archives Find Case Law site. This was a key recommendation of the Digital Justice report. The Foundation provided grant support the British and Irish Legal Information Institute (BAILII) to support the transition to this new service.

- Justice Lab hosted an online event: Justice Data in the Digital Age; balancing risks and opportunities which led to the Justice Select Committee carrying out a short inquiry to which Justice Lab gave evidence.
- Justice Lab has engaged with the Open Government Partnership to develop the next Open Government Action Plan (“OGAP”) and co-chaired the Open Justice working group where we worked to shape a commitment focussed on improving access to, and the governance of, court data.
- Justice Lab commissioned Ipsos Mori to undertake independent polling and deliberative research exploring public attitudes to commercial access to justice data. This is the first time in the world that attitudes research of this type has been carried out. The aim is to catalyse further interest in justice data governance and to finalise the process for the Shadow Senior Data Governance Panel on which Justice Lab sits, and which has been delayed until October 2022.

Research & Evaluation projects

- Justice Lab partnered with NatCen and the Centre for Homelessness Impact in a successful bid to carry out the first ever Randomised Control Trial in England and Wales exploring the impact of early legal advice in welfare benefits, debt and housing cases (the Early Legal Advice Pilot). Feasibility work for the evaluation has begun, and the Lab has been able to use its position as evaluators to examine closely the design of the programme.
- Justice Lab has commissioned Policy in Practice to examine the feasibility of undertaking a retrospective matched controlled study using administrative data to understand impact of legal advice on outcomes.

Community Data

- Justice Lab is taking forward an ambitious strategy to support not for profit organisations in the access to justice sector to increase their data capacity and skills. The strategy involves developing data curiosity, skills and leadership; providing data focused resources and tools tailored for the access to justice sector; and network building and influencing the wider sector.
- The Lab has developed a series of short, accessible papers to support the sector on their data journeys. This includes papers explaining a) what data standards are and how they can be applied– which has been the basis for further discussions with MoJ b) how to develop a community of practice– which Justice Lab will use to develop a data community of practice to support workers that have data responsibilities; and c) how to increase data leadership capacity in the sector.
- Justice Lab has provided support to the Justice Together Initiative (JTI) with commissioning a learning partner and has led on developing a data project with the JTI and North East Law Centre for a data practitioner to work with North East Law Centre and partners to develop data skills and understanding focusing on client demographics, legal issues and service referral pathways. The work commenced in July 2022 and will be a precursor to Justice Lab’s data cohort project.

Consultation responses:

- Mediation:
 - Justice Lab submitted a response to the Ministry of Justice’s Dispute Resolution in England and Wales: Call for Evidence. This involved commissioning an academic based at the University of Oxford, Dr Daisy Ogembo, to conduct a rapid evidence review exploring the impact of mediation on outcomes, experience and bias.

- Data & Data centric technologies
 - Justice Lab submitted a response to the DCMS proposals to change data protection regulations (Data: A new direction). Several proposals had worrying implications for trust in data sharing for research, privacy rights, and discrimination under the Equality Act 2010. To support our submission, and in response to requests from other civil society organisations, Justice Lab alongside our Fairer Systems colleagues instructed leading equality law experts Robin Allen QC and Dee Masters to analyse the impact of proposed reforms on discrimination under the Equality Act 2010 which was published under the title “The impact of proposals within: “Data a New Direction on discrimination under the Equality Act 2010”.
 - In partnership with Fairer Systems, Justice Lab submitted a response to the Law Commission’s consultation on its 14th programme of law reform. The response offered strong support for the Law Commission’s proposal to develop a new legal framework to support the use of automated decision-making by public sector bodies.
- Victims Bill
 - Justice Lab has submitted evidence to the Justice Committee as part of the pre-legislative scrutiny of the Victims Bill, highlighting deficiencies with the current victim scorecards and calling on government to implement better data collection about court processes and stronger accountability to support victims.

More widely, the Lab is taking forward its work by building alliances and collaboration with a wide range of stakeholders and institutions including ESRC, ADR UK, GOVNET, the President of the Family Division’s Transparency Implementation Group, the wider senior judiciary, and the OECD.

Deepening our understanding of oppression

This has been a year of activity and further reflection as we seek to deepen our understanding of systems and structures that lead to discrimination, inequity, exclusion and oppression, including our own role in these. A working group of colleagues from across the organisation was formed in 2020 initially with a frame of advancing diversity, equity and inclusion. The group developed an action plan across the Foundation’s work including governance, strategy, grants and programmes, policy, operations and finance.

However, the past year has seen us want to push further, to locate this work in a deeper analysis of systems of oppression and to ask ourselves how we do more to reduce, and not perpetuate, structural inequalities that have existed and been further starkly exposed. This includes committing to place lived experience at the heart of our work.

One area of the organisation driving this work is the Justice Together Initiative, the collaborative programme hosted by the Foundation under our Justice Collaborations subsidiary focused on reform of the immigration system. This has pursued a particular focus on anti-oppression and anti-racism given that these are such core values to that work. The Grants Committee overseeing this programme has been recruited with a majority of people with lived experience of the immigration system and of racial discrimination. Recruitment of the staff also emphasised the focus on lived experience. Stated aims of the initiative include funding reaching a wider range of organisations, particularly those that are led by people with lived experience of the immigration system, and that people with lived experience of the immigration system take a lead in influencing and setting the direction for social change.

All the staff working on JTI and the members of the Grants Committee have been involved in a series of workshops, training, discussions and wider reading, supported by consultants Tatiana Garavito and Raggi Kotak driven by an anti-oppression and anti-racist framing.

This work been important to JTI’s thinking and to wider work at the Foundation. It has been constructive, helping us to build on the activities in train, and to develop a better shared understanding of each other and where we want to

get to. It has been hard, especially for those on our team who have themselves directly experienced discrimination. The safety and dignity of those colleagues is a priority as we explore this work.

We have reflected on the capacity needed to move forward and will be looking at how an anti-oppression frame relates to other characteristics such as disability, gender, sexuality and age. Considering our organisation and wider systems in the context of White Supremacy Culture characteristics gave us insights into how our work supports inequitable power structures, some of which are wider than race. The process has helped us to identify systems, constructs and behaviours where this happens. In the next year, we will be taking forward this approach with colleagues in the wider Foundation and with our board.

Also this year, the Foundation was one of the organisations randomly selected to be assessed under the Foundation Practice Rating. This is an initiative, instigated by Friends Provident Foundation, to rate foundations' practice on diversity, accountability and transparency. The Foundation was rated as C, A, A respectively, with a B overall. We used the exercise to have useful discussions with the board and our staff. There are some areas where practice that is already in place can be better reported by us, and this annual report is an opportunity to do that, for example, on pay equity, recruitment practice and living wage. On other metrics, such as publishing a breakdown of the diversity of our staff and board or setting targets to improve diversity, we have concluded that more thought needs to go into this. We have a small staff and board and there is a challenge in collecting this data in small organisations. We felt it was better, as with our other work, to connect this with wider commitments and processes on engaging staff, ensuring our recruitment and human resources policies are progressive, and this is already helping us to make progress on diversity and lived experience. We also feel that measures such as economic background are important and relevant.

Across all this work, however, we recognise that this is a process of learning and reflection and that our approach will evolve over time as we deepen our understanding. It is clear that it is a driving force for staff and board alike with commitment to take this work forward in meaningful ways.

JUSTICE COLLABORATIONS

The Foundation's subsidiary charity, Justice Collaborations (charity number: 1187441), provides a vehicle for hosting joint programmes with other foundations. Justice Collaborations was formed in 2019 as a result of discussions between The Legal Education Foundation and a number of independent funders in the UK.

The initial work of Justice Collaborations is the Justice Together Initiative (JTI) which has a 10-year strategy.

JTI's vision is that people who use the immigration system can access justice fairly and equally, so that they can get on with their lives. Its mission is to build a community of people and organisations with diverse backgrounds, strengths, and experience to transform access to justice in the UK immigration system. Through grant-making and collaboration, we will connect lived experience, front-line advice and influencing strategies to create lasting change.

JTI funding is being distributed through open grant rounds, phased across regions and devolved nations. Funding is initially for three years and usually includes costs of management support, staff care and embedding anti-racism strategies. Organisations which are funded (grant partners) join and shape the community of impact, connecting regularly to share intelligence, tackle shared issues and build stronger action for change. JTI aims to fund in a way that seeks to bolster the health, dynamism, sustainability and influencing capacity of the sector over the next decade. By the end of June 2022, grant awards of over £10 million had been committed to the initiative by 16 organisations and others are considering joining either by directly funding the initiative or by providing aligned funding.

ORGANISATIONAL TRANSITION

This year, two of our Governors came to the end of their terms of office. Roger Finbow and Guy Beringer QC (hon) CBE both initially joined the board as Governors of the College of Law and played key roles in guiding the organisation through the transition from College of Law to The Legal Education Foundation and in developing the strategy and programmes of the Foundation. Paddy Sloan took on the role of Chair and new Governors Hetan Shah, Rupen Shah and Alex Temple joined the board.

Alongside these changes, a significant programme of work was instigated to facilitate succession plans in key roles, and to restructure the Foundation's operations, systems and policies to support an expanded staff team that is delivering a wider range of programmes. Alan Humphreys and Jill Gale left the Foundation in April 2022, receiving a warm send off from colleagues inside and outside the Foundation and tributes to the contributions both had made to the College of Law and then the Foundation. Alan is continuing as a trustee of the College of Law Pension and Assurance Scheme (COLPAS). In October 2021, Adam Pokun joined the Foundation as Director of Operations. Clare Johns was promoted to Head of Finance and Belinda Berry promoted to Operations Manager. We also welcomed new recruits - Charlotte Peel as Learning Manager, Alex Mik as Grants Officer, Alex Shedden as IT Manager and Deborah Acquah as Justice First Fellowship Manager. All our new colleagues are already making terrific contributions to the Foundation and make us even more excited for the years ahead.

PRIORITIES FOR 2022-2023

The Foundation will:

- Develop our work under the three objectives of the 2020-2025 strategic plan - Stronger Sector, Fairer Systems and Smarter Justice. Applications to Stronger Sector and Fairer Systems will be considered in two grants rounds in 2022-2023.
- Continue to deliver and develop the Justice First Fellowship programme.
- Undertake proactive collaboration, grantmaking and advocacy in wider pursuit of our strategic objectives, especially in response to issues arising from the ongoing impacts of the cost-of-living crisis and wider efforts to promote social justice.
- Take forward the four components of the work programme of the Justice Lab.
- Develop further the Justice Together Initiative.
- Develop further the Foundation's use of communications in engaging with the field and seeking to have wider influence.
- Develop further the Foundation's practical commitment to promoting diversity and racial justice.

FINANCIAL REVIEW

Results for the Period

The Financial Statements for the period are set out on pages 32 to 62. These show that the Group had net expenditure before investment gains for the year of £9.5 million (net expenditure £5.7 million in 2021).

The equivalent figures for the Foundation on a standalone basis are net expenditure before investment gains of £6.7 million in 2022 and £5.1 million in 2021.

All of the Foundation Group's assets are held for the purpose of meeting the Foundation and its subsidiary's charitable objects.

There were no significant financial events during the year that impacted the Foundation's strategy for meeting its objectives. The investment asset allocation of the Capital Fund is based on being able to deliver a real return of 3.5% per annum over a period of seven or more years.

The impact of the conflict in Ukraine caused a significant fall in the value of the fund in the first half of 2022. However, this follows a period where the portfolio returns had been significantly higher than the target (portfolio return from inception to 30 June 2022 +5.9%, 2021 +7.5%).

A long period of world equity market decline would however endanger this target and may require the Governors to reconsider their annual expenditure.

More information is contained in the Investment Management and Performance section of this report.

Principal funding sources

The principal source of funds for the Foundation is the return on the Capital Fund. In addition, the Foundation has been awarded restricted grants from other organisations to the value of £1,029k (£561k in 2021) in the year.

The principal source of funds of the Foundation's subsidiary is restricted grants from other charitable foundations and organisations (2022: £1.7 million; 2021: £2.7 million).

Cash flow and cash levels

The Foundation's investment strategy is constructed on a total return basis. The Foundation is entirely funded from its investments and grants from other organisations.

In the financial year to 30 June 2022, £9.0 million (£8.1 million in 2021) was taken from the Capital Fund for grant and operational expenditure.

Cash balances in the Foundation as at 30 June 2022 were £6.8 million (£12.2 million in 2021). In 2021 £6.4m of this sum was earmarked for long-term investment. All long term investment cash was transferred to Sarasin & Partners in September 2021 to be managed as part of the overall capital investment portfolio.

A further part of the Foundation's working capital is held in a portfolio of sterling, investment grade, short dated corporate bonds. The value of these bonds is included in Current Asset Investments (Note 9) at a market value of £4.5 million as at 30 June 2022 (£4.7 million in 2021). It is the intention to hold each bond until its maturity.

In addition, cash balances in the subsidiary as at 30 June 2022 were £5.4 million (£3.2 million in 2021).

The Governors have noted that liquidity levels are projected to remain adequate for all operational and currently planned grant expenditure purposes.

Treasury management

Treasury activities are undertaken under defined procedures, which are approved by the Finance, Audit and Risk Committee, with advice from the Investment Committee when required. The Foundation aims to maximise its return on any liquid funds mostly through short term corporate bonds, referred to above, and short-term fixed deposits subject to the proviso that these deposits are only placed with financial institutions whose credit ratings meet standards approved by the Investment Committee. During the year these remained as being institutions with an AA long-term credit rating or an institution defined by H M Government as systemically important.

Pensions

Although the Foundation sold the legal education and training operation of The College of Law on 30th November 2012 it has retained employer responsibility for the College of Law Pension and Assurance Scheme (COLPAS) which is a defined benefit scheme. It was closed to new entrants in 2019 and closed for future accrual of service by active members as from 31st August 2021.

The most recent full Triennial Actuarial Valuation of COLPAS as at 1st August 2021 showed a surplus, on the Statutory Funding Basis, of £23.2 million. The COLPAS Trustees have been continuing a Liability Driven Investment Strategy with the objective of reaching a full buy-out basis over the medium term. Its assets are invested in bought-in annuities, gilts, leveraged gilts, corporate bonds, asset backed credit, private credit and cash. No assets are held in equities.

The Foundation uses four measures of pension scheme valuation. The Scheme Actuary has extrapolated figures from the last full Actuarial Valuation, together with actual data where known, to provide the figures set out below:

Basis	30 June 2022		30 June 2021	
	Funding %	Surplus/(Deficit) £Million	Funding %	Surplus/(Deficit) £Million
Statutory Funding	108	14.9	107	18.4
FRS102 Valuation	128	40.7	122	45.4
Solvency	96	(8.7)	91	(25.6)
Pension Protection Fund	137	53.0	137	70.6

Reserves policy

It is the Governors' policy to maintain the Fixed Asset Investments, otherwise known as the Capital Fund, at £200 million in real terms based on 30 November 2012 and for the Fund to provide a sustainable amount for grant and other expenditure purposes each year over the long term. At 30 June 2022 the value of the Capital Fund was £262.7 million compared to a target maintained real value of £272.3 million.

The chart on page 19 shows the movement in value of the Capital Fund since inception against this target.

The general funds, after deducting the pensions liability, are the free reserves of the Foundation. The balance on restricted funds at 30 June 2022 was £2.7 million (£5.6 million in 2021).

	Group	Foundation
	£000's	£000's
Total Funds	265,148	262,477
Less: Restricted Funds	(2,674)	(3)
General Funds	262,474	262,474
Less: Amount held for Pension Liability	(2,103)	(2,103)
Free Reserves	260,371	260,371

It is the Governors' policy that the free reserves should increase to reach the value of the capital fund over the long term. As the pension liability (£2,103k; see Note 14) is expected to reduce as a result of payments over a period of more than 10 years, the Governors do not consider that any immediate action to reduce the current shortfall is required.

The Governors and the Finance, Audit and Risk Committee monitor the level of reserves throughout the year by reference to forecasts provided to them which include calculations and commentary on reserve levels.

INVESTMENT MANAGEMENT AND PERFORMANCE

Investment policy

The Foundation's investment policy is intended to provide long term stability and liquidity sufficient to maintain the real value of the capital fund after transferring funds for grant and other expenditure each year.

The Foundation's Investment Policy Statement sets out the parameters within which the Investment Committee and Investment Advisers must operate to do this.

The Governors have approved a grant and operational expenditure budget of £9.4 million for the Foundation for the period to 30 June 2023. This sum will be taken from the capital fund during the year.

Review of Investment management

Following their appointment in mid-2021, Sarasin & Partners managed the process of moving from the multiple managers selected by Cambridge Associates to their own custody and management. The first transactions took place in September 2021 and the process was effectively completed by the end of December 2021. The Investment Committee oversaw the process and held regular quarterly meetings with Sarasin & Partners LLP, to monitor progress, performance, markets and the investment background. Over the initial seven months of their appointment, new reporting formats have been agreed which are more in keeping with the segregated, discretionary investment services they provide.

The Foundation joined the Principles of Responsible Investment in 2019 and submitted its first annual report covering the year to 31 December 2020 in Spring 2021. Feedback from the submission is expected to be received in the last quarter of 2022.

Investment policy statement

The Investment Policy Statement covers the following main areas:

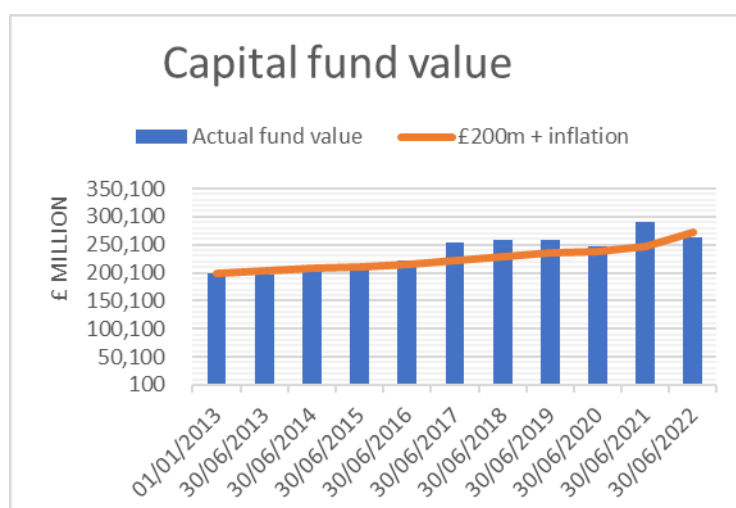
- The intention over the medium term to maintain the real value of the Capital Fund.
- The aim to provide over the long-term an annual sum equal to 3.5% of the Capital Fund for grant and operational expenditure.
- The Foundation's attitude to risk.
- The Foundation's commitment to responsible investment.
- The strategic asset allocation.
- Liquidity requirements.
- The Investment portfolio is to be managed on a total return basis.

Investment Performance

While markets finished 2021 on a high, this year was challenging for investment assets. Inflation rose sharply due to a tight labour market, constrained supply chains, and rising energy prices, which were further pressured by the war in Ukraine. Central banks have had to respond by aggressively raising interest rates, which has triggered declines in both equity and bond markets. These challenges have been compounded by fears of weakening economic growth, which may result in lower company earnings.

Although markets performed robustly over the end of Cambridge Associates' tenure and the first half of our financial year, the turbulence noted above occurred in the latter half and Sarasin & Partners first period of management. Over the full twelve months to 30th June 2022, the Foundation's investment portfolio generated a return of -6.2%. Within this, during Sarasin's opening seven months of management, a return of -7.5% was generated which was fractionally ahead of the benchmark after costs.

The graph below shows the actual value of the capital fund compared to the amount that would be required to maintain its real value. It should be noted that whilst the capital fund's value at 30 June 2022 had fallen below its target, the period since its creation is only 9 years. It is likely that there will continue to be volatility in future years. The Foundation was advised by Cambridge Associates that returns over the next ten years are expected to be lower than in the past owing to the relatively high level from which valuations of growth assets start: this is something Sarasin & Partners concurred with on appointment.



The table below shows the performance of the investment portfolio against the long-term target.

Performance Over (annualised)	Portfolio Return 2022 %	Portfolio Return 2021 %	Inflation* 2022 %	Inflation 2021 %	Over/ (Under) 2022	Over/ (Under) 2021
1 Year	-6.2	20.7	10.2	3.8	-16.4	+16.9
3 Years	4.3	7.2	5.0	2.6	-0.7	+4.6
Since Inception (2013)	5.9	7.5	3.8	2.5	+2.1	+5.0

* RPI used until 31.12.21 then changed to CPI

Asset allocation

The following table sets out the position of the portfolio as at 30th June 2022, together with a comparison to the benchmark and the ranges within which we allow Sarasin & Partners to operate:

Asset Classes	30/06/2022	Strategic Benchmark	Tactical Tilt	Operating Parameters
	%	%	%	Low to High
Cash / Liquid Assets	5.2	0.0	5.2	0 to 10
Fixed Income	4.4	10.0	(5.6)	0 to 20
Bonds & Cash	9.6	10.0	(0.4)	0 to 30
Global Equities	69.5	75.0	(5.5)	60 - 90
UK Physical Property	6.7	5.0	1.7	0 - 10
Alternatives	14.2	10.0	4.2	0 - 20
	100.0	100.0		

The alternatives assets are invested in reasonably liquid specialist investment vehicles, which result in exposure to, amongst other things: commodities, private equity, private debt, debt & equity-oriented infrastructure, renewable energy and hedge funds.

Environmental, social and governance factors in investments

The Foundation has confirmed its commitment to the environmental, social and governance (ESG) agenda in its investment policy by becoming a member signatory of the United Nations Principles for Responsible Investment (PRI).

One of the Foundation's reasons for appointing Sarasin & Partners was their leadership in a range of ESG initiatives and the transparency of their reporting on their activities. Recent activity relating to voting, governance, engagement with investee companies, policy work with governments and regulators, together with a review of pertinent issues are presented to the Foundation on a quarterly basis for comment and discussion.

Holdings

An analysis of the Capital Fund holdings is provided at Note 7 on page 44.

Statement of Governors' Responsibilities

The Governors are responsible for overseeing the preparation of the Annual Report and Accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Foundation and of its incoming resources and application of resources for that period. In preparing these financial statements the Governors are required to:

- Select suitable accounting policies and then apply these consistently.
- Observe the methods and principles in the Charities Statements of Recommended Practice (SORP).
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable 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 Foundation will continue in existence.

The Governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the Foundation's by-laws. They are also responsible for safeguarding the assets of the Foundation and consequently for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors confirm that:

- So far as they are aware there is no relevant audit information of which the Foundation's auditor is unaware.
- They have taken all steps that they believe they ought to have taken as Governors and Trustees in order to make themselves aware of any relevant audit information and to establish that the Foundation's auditor is aware of that information.

RISK MANAGEMENT

Overall

The trustees are responsible for identifying, managing and monitoring the risks facing the organisation and for mitigating these risks so as to arrive at an acceptable risk appetite.

A Risk Register is maintained that lists and ranks all identified risks via a traffic light system. The register shows gross and net risk for each identified item of risk, mitigations which are already in place and identifies any further action required and who is responsible for that action.

The Governors review the risk register at every meeting and the Foundation's Senior Management Team uses the Risk Register as a key tool, regularly reviewing risks and the implementation of mitigating actions.

Principal residual risks

The Governors consider the following to be the principal residual risks and ensure that appropriate mitigations are in place and are monitored.

Operational	Inadequate cyber security protections in place lead to data corruption/loss, introduction of malware/ransomware, and data protection breach
External	Significant changes occur in the constitutional, legislative and / or regulatory environment in which the Foundation operates that restricts our ability to deliver our strategic objectives
Governance	Trustee body does not reflect diversity in terms of skills, protected characteristics or lived expertise which leads to poor decision making and loss of credibility

GOVERNANCE

Governors

The ultimate control of the Foundation is vested in the Governors who are also the Foundation's Trustees. They are appointed by the Members of the Foundation. Day-to-day control of the Foundation is exercised by a management team led by the Chief Executive who is appointed by the Governors.

The Governors normally meet five times during the year, with additional meetings taking place if necessary. The Governors devote each meeting to considering strategic issues in addition to receiving update reports from the Chairs of each committee and a progress report from the Chief Executive.

The Governors undertook a review of their effectiveness during the previous year and decided that, in order for them to devote more time to strategy development and monitoring, further responsibilities should be devolved to the committees.

The Foundation's financial regulations specify authorisation limits for budget holders, with material transactions being approved by the Governors or committees. In addition, formal treasury policies are in place.

Following the merger of the Audit and Finance & General Purposes Committees, the Governors now have four committees to oversee, monitor and approve actions on the major areas of the Foundation's activities and responsibilities. The terms of reference of each committee are reviewed on a regular basis to ensure that they remain appropriate to the Foundation's needs.

The Governors take steps to ensure that they work as an effective team, using the appropriate balance of skills, experience, backgrounds and knowledge to make informed decisions. They can access independent professional advice, such as legal or financial advice, at the Foundation's expense if needed.

The Governors and those who served as such at any time during the financial year, together with details of their committee memberships as at the approval date, 12th October 2022, are shown on page 26. Further details on each Governor can be found on our website:

<https://www.thelegaleducationfoundation.org/about-the-legal-education-foundation/governors>

Recruitment of Governors

A skills audit of the Governing Board is undertaken on a periodic basis to identify the skills needed in order for the Foundation to be able to consider, monitor and approve its Strategic Plan. Recruitment and re-appointment of Governors is based on this need.

When considering the recruitment of a Governor, the Nominations Committee decides the most appropriate recruitment method to use. Normally this is by recruitment consultants advertising the role and inviting applications. The Nominations Committee then considers a long list of candidates and selects a shortlist of applicants for interview before making a recommendation to the full governing Board, which after consideration makes a recommendation to the Members.

The Foundation aims to recruit Governors with diverse backgrounds and skills.

Induction and training of Governors

New Governors are provided with an induction programme during which they have the opportunity to meet with the key management personnel and the Secretary. They are also made aware of:

- the responsibility of Trustees
- the Foundation's Constitution
- the latest financial statements
- the committees and decision-making processes
- the plan for meeting the Foundation's Object
- the Foundation's risk register
- the Foundation's charity governance checklist.

Training requirements are identified as part of the skills audit review and a programme of training for the following year is considered by the Nominations Committee annually.

Charity Governance Code

The Foundation is committed to best practice in governance. The Audit Committee undertook a review of compliance with the Charity Governance Code in July 2021. The results of the review confirmed that the Foundation and its subsidiary continued to comply with the Charity Governance Code.

The Foundation continually reviews ways to further improve its governance and focusses on the areas of the code where this can best occur. A further review is scheduled for 2022/23.

The Governors have supported the senior management in the creation of a diversity, equity and inclusion working group. The activities of this group are reported to the Governors' Board meetings and to the Senior Management Team and will support the objective of continuing to improve governance practice in this area in line with the revised Diversity section of the Code. More information regarding the Foundation's approach to anti-oppression work can be found on page 14 of this report.

The Justice Together initiative, run by Justice Collaborations, has been developed with a commitment to equity and human rights, inclusion and anti-racism at its core. It has a dedicated Anti-Racism Working Group and has worked with an expert consultant to develop its anti-oppression aims.

Conflicts of interest

The Foundation's conflicts of interest policy requires Governors, executives and advisers to declare any interest which could give rise to conflict of interest. They are required to exempt themselves from all relevant decisions which may involve a transaction with a related party or in which they may have a conflict of interest although they can take part in general discussion on the area concerned at Governors' meetings. At Grants, Programmes and Learning Committee meetings, members of the Committee are required to recuse themselves from both discussion and decision when an item on which they are conflicted is being discussed.

Fundraising

The Foundation has not entered into contracts with central or local government to deliver services nor has it received grants from central or local government. All restricted funds have been received from other charitable organisations or law firms. It does not raise funds from the public and therefore has not subscribed to any fundraising standards or scheme for fundraising regulation.

The Foundation is aware of the regulations and has nothing further to disclose under the provisions of section 13 of the Charities (Protection and Social Investment) Act 2016.

Committees

Investment Committee

The Investment Committee normally meets four times a year. In addition to the Governor Members there are two professionally qualified external members.

Its terms of reference include overseeing the implementation of the Investment Strategy Policy and monitoring investment performance and recommending the amount to be made available to the Foundation for grant and operational expenditure each year.

Finance, Audit and Risk Committee

The Finance, Audit and Risk Committee (formed from a merger of the Audit and Finance & General Purposes Committee in July 2022) will usually meet 4 times a year.

In addition to the Governor Members there is a professionally qualified accountant external member. The Chair has a finance background. The auditors, who regularly attend the meetings, also have a separate meeting with the committee once a year without any Foundation staff present.

The terms of reference of the committee include:

- a critical review of the annual report and financial statements prior to submission to the Governors for approval.
- monitoring the effectiveness of the internal control systems and reviewing risk management policies, systems and the Risk Register.
- considering the appointment, resignation or dismissal of the external auditors.
- reviewing and approving budgets, forecast and other financial projections.
- pension matters.
- property matters.
- reserves policy; and
- such other matters as are referred to it by the Governors.

The committee makes a written report on its compliance with its terms of reference and on internal controls and the risk register to the Governors on an annual basis.

Approval of remuneration and benefits for staff was the responsibility of the Finance and General Purposes Committee throughout the year ended 30 June 2022. That responsibility has been passed to the Nominations Committee from October 2022.

Grants, Programmes and Learning Committee

The Grants, Programmes and Learning Committee normally meets at least twice a year. It also takes decisions on individual grants by email between meetings and it receives regular updates throughout the year.

The committee oversees the implementation of the policy and criteria agreed by the Governors for the award of grants, considers each application for grants of over £40k, and makes recommendations to the full governing body for any awards of over £350k. The committee has delegated authority to the Executive to award individual grants of up to £40k with a maximum total amount of all such grants in any one year of £300k. A report on each of these grants is made to the committee and each grant is reported to the Governors at their next meeting.

The committee is also responsible for monitoring progress against the Foundation's research and learning strategy and its policy and public affairs strategy and reporting on these to the Governors. It also reviews and approves the planned annual work plans for each of these areas of activity for the coming year.

The committee also receives a report at each meeting providing an analysis of each final grant monitoring report which summarises activities and lessons. A separate report is made to each meeting regarding any grantee at risk.

Nominations Committee

The Nominations Committee normally meets three times a year. Its main responsibilities are overseeing the processes for assessing the balance of skills, knowledge, experience and diversity of the Governing Board and the recruitment, appointment and re-appointment of Governors as well as the chairmanship and the membership of committees. It is also responsible for succession planning.

The policy is for Governors to be appointed for a period of three years with re-appointment being for a maximum of a further six years, so that each Governor serves for no longer than nine years other than in exceptional circumstances.

Staff Remuneration

Remuneration of senior management has previously been decided following detailed advice from recruitment and remuneration consultants. The only changes to have taken place in the year to 30 June 2022 are cost of living increases which were approved by the Finance and General Purposes Committee.

Governors and Senior Personnel

The Governors and those who served as such at any time during the financial year, together with details of their committee memberships as at 12 October 2022, are shown in the following table.

Committee membership at 12 October 2022

	Grants, Programmes and Learning	Investment	Nominations	Finance , Audit and Risk Committee
Guy Beringer (left 24.11.21)				
Rupert Baron		Chair		
Ailsa Beaton		X		X
Roger Finbow (left 24.11.21)				
Jonathan Freeman	X		Chair	
Vivek Luthra		X		X
Alison Pickup	X			
Monica Risam			X	X
Hetan Shah	X			
Rupen Shah				Chair
Paddy Sloan - Chair	Chair		X	X
Alex Temple	X			

In addition:

Kirsty Garrison is a professional accountant external member of the Audit Committee.

David Haysey is a professional investment external member of the Investment Committee. Lord Charles Hemphill also served as an external member of that committee during the year to 30 June 2022.

Cullagh Warnock is an external member of the Grants, Programmes and Learning Committee.

Key Management personnel:

For the purposes of compliance with the Charities SORP, Key Management personnel are identified as the Trustees, Matthew Smerdon (Chief Executive) and the senior management team (comprising of the Deputy Chief Executive (until April 2022), Director of Grants, Director of Operations, Director of Research and Director of Strategy).

A full list of all current staff members can be found on the Foundation's website.

Acknowledgements

The Governors would like to acknowledge their thanks to the Foundation's staff who have shown great commitment to the charity's vision and values in a year where the pandemic has continued to have such an impact on us all. This has required great dedication and resolve on the part of our staff and the Governors are very grateful to them all.

Guy Beringer and Roger Finbow ended their terms of office as Governors of the Foundation during 2022. Lord Charles Hemphill also completed his term as an external advisor to the Investment Committee in May 2022. They have each served the Foundation with great skill and energy and we thank them all for their years of service.

Approved by the Board of Governors on 12 October 2022.

Paddy Sloan

Paddy Sloan
Chair

Independent Auditor's Report to the Governors of the Legal Education Foundation

Opinion

We have audited the financial statements of The Legal Education Foundation (the 'parent charity') and its subsidiary (the 'group') for the year ended 30 June 2022 which comprise the Consolidated Statement of Financial Activities, the Statement of Financial Activities of the Individual Parent Charity, the Group and parent charity Balance Sheets, the Consolidated Statement of Cashflows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and charity's affairs as at 30 June 2022 and of their incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditors under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- sufficient accounting records have not been kept by the parent charity; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Governors' responsibilities set out on page 21, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group's and parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework, that the group and parent charity operates in and how the group and parent charity is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Charities Act 2011, the parent charity's governing document, the Royal Charter and the Foundations By-Laws. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's Trustees as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
Davidson House
Forbury Square
Reading
Berkshire
RG1 3EU

Date 13 October 2022

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Consolidated Statement of Financial Activities for the Year Ended 30 June 2022

	Note	2022 Unrestricted £'000	2022 Restricted £'000	2022 Total £'000	2021 Unrestricted £'000	2021 Restricted £'000	2021 Total £'000
Income							
Investments	2	2,664	-	2,664	2,572	-	2,572
Donations and Legacies	2	-	2,466	2,466	-	2,736	2,736
Other	2	20	-	20	-	-	-
Total Income		2,684	2,466	5,150	2,572	2,736	5,308
Expenditure on:							
Raising Funds (investment management costs)	5	493	-	493	258	-	258
Charitable activities	5	8,312	5,348	13,660	7,378	3,390	10,768
Other	5	517	-	517	17	-	17
Total	5	9,322	5,348	14,670	7,653	3,390	11,043
Net (expenditure)/income before investment gains & losses		(6,638)	(2,882)	(9,520)	(5,081)	(654)	(5,735)
Net gains/(losses) on Investment	7,9	(20,818)	-	(20,818)	48,694	-	48,694
Net income/(expenditure)		(27,456)	(2,882)	(30,338)	43,613	(654)	42,959
Other recognised Gains and Losses:							
Actuarial (loss)/gain on defined benefit Pension Scheme	14	(4,278)	-	(4,278)	(17,721)	-	(17,721)
Restriction of movement on Pension Scheme Asset	14	4,979	-	4,979	17,659	-	17,659
Net movement in Funds		(26,755)	(2,882)	(29,637)	43,551	(654)	42,897
Reconciliation of Funds							
Total Funds brought forward	13	289,229	5,556	294,785	245,678	6,210	251,888
Total Funds carried forward		262,474	2,674	265,148	289,229	5,556	294,785

The Statement of Financial Activities includes all gains and losses recognised in the year. The notes on pages 36 to 62 form part of these financial statements.

Statement of Financial Activities of the Individual parent charity for the
Year Ended 30 June 2022

	Note	2022 Unrestricted £'000	2022 Restricted £'000	2022 Total £'000	2021 Unrestricted £'000	2021 Restricted £'000	2021 Total £'000
Income							
Investments	2	2,664	-	2,664	2,572	-	2,572
Donations and Legacies	2	-	1,029	1,029	-	561	561
Other	2	96	-	96	139	-	139
Total income		2,760	1,029	3,789	2,711	561	3,272
Expenditure on:							
Raising Funds (investment management costs)	5	493	-	493	258	-	258
Charitable activities	5	8,388	1,120	9,508	7,516	536	8,052
Other	5	517	-	517	17	-	17
Total	5	9,398	1,120	10,518	7,791	536	8,327
Net (expenditure)/income before investment gains & losses		(6,638)	(91)	(6,729)	(5,080)	25	(5,055)
Net gains/(losses) on Investment	7,9	(20,818)	-	(20,818)	48,694	-	48,694
Net Income/(expenditure)		(27,456)	(91)	(27,547)	43,614	25	43,639
Other recognised Gains and Losses:							
Actuarial (loss)/gain on defined benefit Pension Scheme	14	(4,278)	-	(4,278)	(17,721)	-	(17,721)
Restriction of movement on Pension Scheme Asset	14	4,979	-	4,979	17,659	-	17,659
Net movement in Funds		(26,755)	(91)	(26,846)	43,552	25	43,577
Reconciliation of Funds							
Total Funds brought forward	13	289,229	94	289,323	245,677	69	245,746
Total Funds carried forward	13	262,474	3	262,477	289,229	94	289,323

The Statement of Financial Activities includes all gains and losses recognised in the year. The notes on pages 36 to 62 form part of these financial statements.

Balance Sheets as at 30 June 2022

	Note	Group 30 June 2022 £'000	Foundation 30 June 2022 £'000	Group 30 June 2021 £'000	Foundation 30 June 2021 £'000
Fixed Assets					
Fixed Asset Investments	7	262,654	262,654	289,946	289,946
		262,654	262,654	289,946	289,946
Current Assets					
Debtors	8	4,780	1,924	6,732	1,383
Current Asset Investments	9	10,836	10,836	10,448	10,448
Cash at bank and in hand		5,866	439	3,212	25
		21,482	13,199	20,392	11,856
Creditors due within one year	10	(10,673)	(7,360)	(7,595)	(6,460)
Net current assets		10,809	5,839	12,797	5,396
Total assets less current liabilities		273,463	268,493	302,743	295,342
Creditors due after more than one year	11	(6,212)	(3,913)	(5,111)	(3,172)
Net assets excluding pension liabilities		267,251	264,580	297,632	292,170
Pension liability	14	(2,103)	(2,103)	(2,847)	(2,847)
Net Assets		265,148	262,477	294,785	289,323
Funds					
General funds		264,577	264,577	292,076	292,076
Less: pension liability	14	(2,103)	(2,103)	(2,847)	(2,847)
General funds after pension liability		262,474	262,474	289,229	289,229
Restricted funds	13	2,674	3	5,556	94
Total Funds	13	265,148	262,477	294,785	289,323

Approved and authorised for issue by the Board of Governors on 12th October 2022

Paddy Sloan

Rupen Shah

P Sloan (Chair of Governors)

R Shah (Chair of Finance, Audit and Risk Committee)

The notes on pages 35 to 65 form part of these financial statements.

Consolidated statement of cashflows

	Note	30 June 2022 £'000	30 June 2021 £'000
Cashflows from operating activities:	20	(6,217)	(4,789)
Cashflows from investing activities:			
Dividends, interest and rents from investments		2,785	2,962
Proceeds from sale of investments		340,691	57,132
Purchase of investments and bonds		(333,950)	(51,647)
Net cash provided by investing activities		9,526	8,447
Change in cash and cash equivalents in the reporting period:		3,309	3,658
Cash and cash equivalents at the beginning of the reporting period		8,939	5,281
Cash and cash equivalents at the end of the reporting period		12,248	8,939

Cash and cash equivalents include cash at bank and in hand £5,866k (2021: £3,212k) and cash held in short term deposit accounts £6,382k (2021: £5,727k).

Notes to the Accounts

1. Accounting policies

a. Principal policies

The financial statements of the charity, registered in England and Wales, which is a public benefit entity under FRS 102, are prepared under the historical cost convention as modified by the revaluation of investments and in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102), the 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 United Kingdom and Republic of Ireland (FRS102) (effective 1 January 2019) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the second edition of the Charities Statement of Recommended Practice issued in October 2019 applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The functional currency of the Foundation is GBP (sterling). The legal status of the Foundation is that of a Royal Charter Charity.

The accounting policies and estimation techniques have been applied consistently from prior years. A review of the Foundation's activities is set out in the Governors' Report on pages 2 to 20. A review of the financial position of the Foundation, its cash flows, liquidity position and investment position are set out in pages 16 to 20. The Foundation produces an annual business plan and the Governors are satisfied that the Foundation can meet its operational plans from its own resources.

The Foundation has considerable liquid financial resources and it also has no borrowings. As a consequence, the Governors believe that the Foundation is well placed to manage its operating risks successfully and is a going concern.

The Foundation, through its Investment Committee, reviews at each meeting the credit rating of all institutions with which it deposits funds and also reviews the portfolio for credit risk.

The charity has taken advantage of the exemptions in FRS 102 from the requirements to present a charity only cash flow statement and certain disclosures about the charity's financial instruments.

b. Basis of consolidation

The consolidated statement of financial activities, the consolidated balance sheet and the consolidated cash flow statement included the financial statements of the Foundation and its subsidiary undertaking (Justice Collaborations) up to 30 June 2022, using the line by line method. Intra group transactions are eliminated fully on consolidation. The total and net income for the Foundation for the year are shown on page 33.

c. Income

Investment income comprises income from investment funds, fixed income bonds, short term fixed deposits and cash funds. Interest on deposits and cash funds is recognised on an accruals basis. Dividends are recognised from the ex-dividend date when they become receivable.

Donation and Legacy income comprises restricted funds received from external donors for specific programmes as disclosed in Note 13. This income is recognised when the organisation is entitled to the income, receipt is probable, and the amount can be reliably measured.

d. Investment assets

Investments are initially recognised at cost and valued at closing market prices ruling at the balance sheet date which give rise to unrealised gains and losses during the period. These amounts are included under “net gains/(losses) on investment” in the Statement of Financial Activities, which also reflects the difference between the net proceeds from sale of investments and mid-market value at the previous period end.

Net liquid resources comprise cash held in deposit accounts as part of long-term investment planning.

e. Tangible fixed assets

All tangible fixed assets costing over £5,000 are capitalised. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life.

Depreciation is charged when an asset is brought into use at the following rates:

Furniture and equipment: 20-50% of cost per annum.

Assets that are impaired in value are written down to their impaired value.

f. Leases

Operating lease expenses are charged to the Statement of Financial Activities over the life of the lease on a straight-line basis.

g. Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Raising funds

This heading includes the investment management costs (Cambridge Associates Ltd in the period to 30 October 2021 and Sarasin & Partners in the period to 30 June 2022), the cost of any other advice relating directly to the investment portfolio and an allocation of staff time in dealing with the Foundation’s investments on a day-to-day basis.

Charitable activities

The costs under this heading are further split between Grants, Grant-making and research, Other direct costs and Governance in Note 5. Staff costs are allocated to these subheadings based on an estimate of time spent on each activity.

Grants are charged to the Statement of Financial Activities when the award is communicated to the recipient and thereby a constructive obligation arises.

Grant-making and research costs include costs of research commissioned and/or carried out by the Foundation, grantee events, costs directly associated with the Justice First Fellowship and Future Advice programmes and an allocation of staff time spent on grant awarding and monitoring.

Other direct costs include office rent and expenses, IT maintenance and website development, insurance and an allocation of staff time spent on support functions including bookkeeping and statutory reporting.

Governance costs include costs of audit fees and costs associated with the functions of the Governors and the cost of the external advisor to the Audit Committee.

Other

The costs in this heading are explained fully in Note 5.

h. Going concern

The Governors have reviewed the Foundation's forecasts and projections covering a period that exceeds twelve months from the date of signing these financial statements and based on the levels of available cash, commitments made by funders and having taken into account economic conditions, the Governors are satisfied that the Foundation has adequate resources to continue in operation for the foreseeable future. Accordingly, the going concern basis has been used in preparing these financial statements.

i. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the Balance Sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the Statement of Financial Activities.

j. Fund accounting

The Foundation has various types of funds for which it is responsible, and which require separate disclosure. These are as follows:

Restricted funds

Donations or legacies received, or income arising from such, which are earmarked by the donor for specific purposes. Such purposes are within the overall aims of the Foundation.

Unrestricted funds

Funds are expendable at the discretion of the Governors in furtherance of the objects of the charity. In addition to expenditure on grants, such funds may be held in order to finance capital investment and working capital.

k. Pension costs

For the defined benefit scheme, the amount charged to resources expended is the current service costs.. Past service costs/gains are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs/gains are recognised over the period until vesting occurs. The interest cost and the expected return on the assets are also shown under the relevant category of

resources expended. Actuarial gains and losses are recognised immediately in the Statement of Financial Activities.

The assets of the defined benefit scheme are held separately from those of the Foundation, in separate pension trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities.

Where there is a surplus in the funded scheme, this is considered irrecoverable as the Governors consider it cannot currently be recovered against future service costs or by future refund. Therefore, a restriction is applied to the surplus to exclude it from the balance sheet.

Following the closure of the Defined Benefit scheme to future service accrual from 31st August 2021, a number of staff have joined a group self-invested pension plan from 1st September 2021. Contributions to this scheme are charged to the Statement of Financial Activities as they are incurred.

l. Value added tax

Expenditure is stated gross of irrecoverable value added tax (VAT).

During 2020, the Foundation formed a VAT group with its subsidiary, Justice Collaborations, and hence is jointly and severally liable for amounts owed by any member of that VAT group in respect of unpaid VAT.

m. Tax status

The organisation is a registered charity and, as such, for taxation purposes, is entitled to exemption from United Kingdom taxation under the Income and Corporation Taxes Act 1988 and may recover income tax incurred on its UK investment income and part or all of its investment income earned in other jurisdictions.

n. Provisions

Where contracts become onerous, full provision is made for the estimated future costs of the contract. Consideration is given to whether discounting future cash-flows would have a material impact and the provision is calculated accordingly.

o. Related party transactions

Transactions with related parties are disclosed in the notes to these financial statements. The Foundation's policy is for Governors, Executives and advisers to declare their interest and exempt themselves from all relevant discussions and decisions which may involve a transaction with a related party or in which they may have a conflict of interest. Details of related party transactions are included in Note 17.

p. Financial instruments

Financial assets and liabilities are recognised on the Foundation's balance sheet when the Foundation becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are recognised at cost less any relevant impairment for estimated irrecoverable amounts.

q. Significant judgements and estimates

The Foundation, in preparing its accounts, makes judgements and estimates concerning the future that have a significant effect on the amounts recognised in the accounts in regard to two main areas.

Judgements:**Onerous lease**

The lease was re-assigned on 9 April 2019.

Note 18 provides further information regarding the current position and judgements which have been made regarding potential future liabilities associated with the lease.

Estimates:**Pension Scheme**

The key assumptions used for FRS102 are agreed by the Foundation on advice from the Scheme Actuary and are listed in Note 14.

2. Income

	Group		Foundation	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Investment Income				
Income from investment funds	2,524	2,419	2,524	2,419
Interest on Bonds	138	131	138	131
Interest on short term fixed deposits and cash funds	2	22	2	22
	2,664	2,572	2,664	2,572
Voluntary Income				
Grants	2,466	2,736	1,029	561
Other Income	20	-	96	139
	5,150	5,308	3,789	3,272

Incoming grants are all allocated to restricted funds. Details are shown in Note 13.

3. Transactions with Governors and Connected Persons
Group and Foundation

The number of Governors who claimed travel and subsistence expenses was 2 (2021 - 2). The total amount claimed in each of these years was less than £1k. The Governors do not receive any remuneration.

4. Net Income/(Expenditure)

	2022 £'000	2021 £'000
Net Income/(Expenditure) for the Year are stated after charging:		
Operating Leases – Rent of Land and Buildings:		
Foundation only	68	121
 Fees payable for services provided by the auditor and the auditor's related entities (including irrecoverable VAT):		
Auditor's Remuneration RSM UK Audit LLP:		
Foundation	31	28
Justice Collaborations	15	14
 Other services		
Justice Collaborations – tax return	-	1

5. Analysis of Total Expenditure

Group	Staff Costs £'000	Other £'000	Total 2022 £'000	Total 2021 £'000
Raising Funds				
Investment Management Costs	67	426	493	258
Charitable activities				
- Grants	-	11,232	11,232	8,715
- Grant-making and Research	859	315	1,174	1,012
- Other Direct costs	437	681	1,118	910
- Governance	10	126	136	131
	1,306	12,354	13,660	10,768
Other				
Pension Scheme Management Costs	68	399	467	53
Other Pension Scheme Charges	-	56	56	(36)
Onerous lease	-	(6)	(6)	-
	68	449	517	17
	1,441	13,229	14,670	11,043

Foundation	Staff Costs £'000	Other £'000	Total 2022 £'000	Total 2021 £'000
Raising Funds				
Investment Management Costs	67	426	493	258
Charitable activities				
- Grants	-	7,308	7,308	6,153
- Grant-making and Research	754	297	1,051	969
- Other Direct costs	404	648	1,052	831
- Governance	10	87	97	99
	1,168	8,340	9,508	8,052
Other				
Pension Scheme	68	399	467	53
Other Pension Scheme Charges	-	56	56	(36)
Onerous Lease		(6)	(6)	-
	68	449	517	17
	1,303	9,215	10,518	8,327

A breakdown of Grants awarded during the year is given in Note 16 and is referred to in the Governors' Report.

Other Pension Scheme Charges and Adjustments

Details of the costs of the defined benefit pension scheme and unfunded pension are provided in note 14.

Onerous Lease

The lease was reassigned in 2019 and an accrual for associated costs was written back. Further information on the lease is provided in Note 18.

Staff Costs

	2022 £'000 Group	2022 £'000 Foundation	2021 £'000 Group	2021 £'000 Foundation
Wages and Salaries	1,047	945	963	855
Social Security costs	122	110	106	95
Pension costs	272	248	174	171
	1,441	1,303	1,243	1,121

The number of employees earning in excess of £60,000 per annum, including their taxable benefits, in bands of £10,000 were:

Group and Foundation	Group 2022 No.	Group 2021 No.
£60,001 - £70,000	1	2
£70,001 - £80,000	2	2
£80,001 - £90,000	1	1
£110,001-£120,000	1	-
£120,001 - £130,000	1	2

The above amounts include as appropriate salary, medical insurance costs and employee contributions to pension schemes made through salary sacrifice.

During the year ended 30 June 2022 five of the staff included in the salary banding table above were active members of the defined contribution pension scheme and one was not a member of any scheme. During the ended 30 June 2021 six of the staff in the salary banding table were active members of the Foundation's defined benefit pension and one was not a member of any scheme.

The average number of employees, analysed by organisation, was:

	2022 No.	2021 No.
Foundation	17	15
Justice Collaborations	3	3

The average full-time equivalent number of employees in the Group was 17 (2021:16).

Remuneration of Key Personnel

Key Management Personnel are deemed to comprise the Trustees, Chief Executive and Senior Management Team (comprising: Director of Grants, Director of Operations, Director of Strategy, Director Research and, until April 2022, Deputy Chief Executive).

Their aggregate remuneration in the current year including pension benefits was £578k (2021: £548k). The prior year figures have been restated (previously shown as £285k). This is due to the widening of the list of those considered to be key management personnel to reflect the collaborative nature of the management structure. In the previous years only the Chief Executive and Deputy Chief Executive were included.

Ratio of highest to lowest salary costs

Reflecting our focus on pay transparency and in line with NCVO guidance, the ratio between the highest salary (2022: £124k, 2021: £124k) and the median salary (2022: £50k, 2021: £55k) in the Group is 2.48:1, (2021: 2.26:1). The ratio of the top salary to the lowest as at 30 June 2022 was 3.76:1 (2021: 3.9:1). These calculations are based on Full Time Equivalent salaries before pension salary sacrifice adjustments.

6. Tangible Assets

Group and Foundation

	Furniture & equipment £'000	Total £'000
Cost at 1 st July 2021	7	7
Additions	-	-
Cost at 30 th June 2022	<u>7</u>	<u>7</u>
Depreciation at 1 st July 2021	7	7
Provision for Year	-	-
Depreciation at 30 th June 2022	<u>7</u>	<u>7</u>
Net book value at 30 th June 2022	-	-
Net book value at 30 th June 2021	-	-

7. Fixed Asset Investments

Group and Foundation

	2022 £'000	2021 £'000
Market Value at 30th June		
Pooled Funds		
Growth driver funds	13,622	227,847
Diversifier funds	51	36,612
Inflation sensitive funds	-	19,132
Fixed income	11,076	-
Equities	173,118	-
Property	16,581	-
Alternatives	35,433	-
Cash/liquid assets	12,773	6,355
	<u>262,654</u>	<u>289,946</u>

The investment portfolio was held solely in a range of managed pooled funds until September 2021. Following the appointment of Sarasin & Partners as investment managers the majority of the holdings in pooled funds were sold and the proceeds transferred to Sarasin's to invest on behalf of the Foundation. The cash and short-term deposits held as part of Fixed term investments were also transferred to Sarasin & Partners.

Reconciliation of opening & closing Market Values

	2022	2021
	£'000	£'000
Market values as at 1 st July 2021	283,591	231,468
Additions at cost	339,454	60,478
Disposals at cost	(340,691)	(57,132)
Investment gains/(losses)	(19,700)	48,777
Market value of investments as at 30 th June 2022	262,654	283,591
Historical cost of investments at 30 th June 2022	277,387	196,125

Reconciliation of movements in unrealised gains on Investment Assets

	2022	2021
	£'000	£'000
Unrealised gains at 1 st July 2021	87,466	51,944
Movement in the year	(102,199)	35,522
Unrealised (losses)/gains at 30 th June 2022	(14,733)	87,466

8. Debtors

	2022	2022	2021	2021
	£'000	£'000	£'000	£'000
	Group	Foundation	Group	Foundation
Other Debtors	12	12	663	663
Onerous Lease	667	667	500	500
Intercompany	-	23	-	39
Prepayments and accrued income	4,101	1,222	5,569	181
	4,780	1,924	6,732	1,383

The Onerous lease balance relates to £667k (2021:£500k) due from the lease assignee in instalments commencing in January 2022. The amount of this debt repayable in more than 1 year is £nil (2021:£333k). See note 18 for more information regarding the onerous lease.

9. Current Asset Investments

2022
£'000

2021
£'000

Group and Foundation

Cash and Cash Deposits	6,381	5,727
Short-dated Bond Portfolio	4,455	4,721
	10,836	10,448

Losses on the short-dated bond portfolio in the year were £237k (2021: losses £68k). The increased level of losses resulted from a number of bonds, which were purchased at a premium in 2017, maturing in 2022.

10. Creditors due within one Year

	2022 £'000	2022 £'000	2021 £'000	2021 £'000
	Group	Foundation	Group	Foundation
Grants Payable	9,655	6,768	6,890	5,802
Other Creditors	577	203	342	327
Income & Social Security	37	33	37	34
Accruals	404	356	326	297
	10,673	7,360	7,595	6,460

11. Creditors due after more than one year

	2022 £'000	2022 £'000	2021 £'000	2021 £'000
	Group	Foundation	Group	Foundation
Grants payable	6,212	3,913	5,111	3,172

12. Analysis of net assets between funds**Group**

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2022 £'000	Total 2021 £'000
Fixed assets	262,654	-	262,654	289,946
Current assets	13,196	8,286	21,482	20,392
Liabilities <1 year	(7,360)	(3,313)	(10,673)	(7,595)
Liabilities >1 year	(6,016)	(2,299)	(8,315)	(7,958)
	262,474	2,674	265,148	294,785

Foundation

	Unrestricted	Restricted	Total	Total
	Funds	Funds	2022	2021
	£'000	£'000	£'000	£'000
Fixed assets	262,654	-	262,654	289,946
Current assets	13,196	3	13,199	11,856
Liabilities <1 year	(7,360)	-	(7,360)	(6,460)
Liabilities >1 year	(6,016)	-	(6,016)	(6,019)
	262,474	3	262,477	289,323

13. Funds**Movements in funds - Group**

	At	Movement	At
	1.7.21	in funds	30.6.22
	£'000	£'000	£'000
General funds	292,076	(27,499)	264,577
Funds excluding pension liability	292,076	(27,499)	264,577
Unfunded pension liability	(2,847)	744	(2,103)
	289,229	(26,755)	262,474
Restricted funds	5,556	(2,882)	2,674
Total funds	294,785	(29,637)	265,148

Movement in funds - Foundation

	At	Movement	At
	1.7.21	in funds	30.6.22
	£'000	£'000	£'000
General funds	292,076	(27,499)	264,577
Funds excluding pension liability	292,076	(27,499)	264,577
Unfunded pension liability	(2,847)	744	(2,103)
	289,229	(26,755)	262,474
Restricted funds	94	(91)	3
Total funds	289,323	(26,846)	262,477

Restricted Funds

	At 1.7.21	Income	Expenditure	At 30.6.22
	£'000	£'000	£'000	£'000
Foundation				
- Justice First Fellowship	94	1,029	(1,120)	3
Justice Collaborations				
- Justice Together Initiative	5,462	1,687	(4,478)	2,671
Less: grant awarded by parent to subsidiary	-	(250)	250	-
Consolidated Group total	5,556	2,466	(5,348)	2,674

Justice First Fellowship

Information on the Justice First Fellowship is included in the Governors' Report on page 7. The majority of the funders of this programme have agreed to fund a specific host or hosts in a given year.

Justice Collaborations

The grants awarded to Justice Collaborations are all contributions to the Justice Together Initiative.

14. Pension (Liability)/Asset**Group and Foundation**

The Foundation operates a funded defined benefit contributory Pension Scheme providing benefits based on members' final pensionable salary at retirement, death or leaving service. The Scheme was closed to new members during 2019 and closed to accrual on 31 August 2021.

When the defined benefit scheme closed to new members, new staff members were auto enrolled into the NEST scheme. Following the closure of the defined benefit scheme to future accrual, a new Group Self Invested Pension (GSIP) scheme was set up. All staff, of both the Foundation and its subsidiary were members of the GSIP at 30th June 2022.

The defined benefit scheme is a separately constituted trust with member nominated Trustees and Foundation appointed Trustees. Under the Trust Deed the employer decides the benefit structure and the Trustees, on the advice of the Scheme Actuary, decide the required funding rate.

The assets of the Scheme, including purchased annuities, are held separately from those of the Foundation.

This scheme is currently in surplus as calculated in accordance with the FRS102 valuation basis. However the Governors consider that the surplus cannot currently or in the foreseeable future be recovered against future service costs or by future refund and is therefore excluded from the Balance Sheet.

During the year, the Foundation paid Pension, Life Assurance Contributions and administration costs to the Scheme of £340k (2021:£168k) comprising normal contributions of £340k (2021: £168k) and special payments of £nil (2021: £nil). Contributions totalling £nil (2021: £nil) were prepaid at the year end. Contributions of £14k for the month of June 2021 were due and paid shortly after 30 June 2021.

The Foundation maintains responsibility for a legacy unfunded pension which is currently in payment. The Pension Liability shown on the Balance Sheet relates to this pension.

The principal assumptions used for the FRS 102 valuation were as follows:

	2022	2021
	%	%
Discount rate	3.9	1.95
Future increase in RPI	3.1	3.2
Future increase in CPI	2.3	2.2
Future increase in salary	2.5	2.5
Retail price Index pension increases		
- max 5%	2.5	3.1
- max 2.5%	2.15	2.2
Future rate of pension increases in deferment	2.3	2.2

It has been assumed that members reaching normal retirement date will exchange 67% of the maximum allowable amount of their pension for cash at retirement. This is based on the post 'A-day' definition of maximum cash.

Mortality assumptions used are in line with 100% of the PxA16 tables based on Members' year of birth, improving in line with CMI 2021 projections with a 1.5% p.a. long-term trend for females and males.

Average expected future life at age 65:

	1 July 2022	1 July 2021
Male currently aged 65	23.7	23.1
Female currently aged 65	25.7	25.0
Male currently aged 45	25.2	24.7
Female currently aged 45	27.4	26.2

The Assets in the Scheme are:

	2022 £'000	2022 £'000	2021 £'000	2021 £'000
Funded Scheme				
Corporate Bonds and Gilts	116,271		159,593	
Asset Backed Credit	9,733		9,973	
Private Credit	4,694		7,303	
Purchased Annuities	53,212		70,783	
Cash	2,877		3,054	
Total Market Value of Assets	186,787		250,706	
Actuarial value of liabilities	(146,137)		(205,265)	
Net surplus in the funded Scheme		40,650		45,441
Unfunded Pension liability				
Actuarial value of liabilities	(2,103)		(2,847)	
Net deficit in the funded Scheme		(2,103)		(2,847)
Net surplus in the Scheme (funded and unfunded)		38,547		42,594
Less: Irrecoverable pension scheme surplus		(40,650)		(45,441)
Net unfunded Pension liability		(2,103)		(2,847)

The total net surplus of the funded scheme pension liabilities at 30 June 2022 on the FRS 102 basis was £38 million, all of which is considered irrecoverable. The restriction represents the surplus in the funded Scheme which the Governors consider cannot currently be recovered against future service costs or by future refund and is therefore excluded from the Balance Sheet.

The movement in the restricted amount has been charged to the Statement of Financial Activities under the heading other resources expended.

Assets are valued at the bid value. FRS 102 regulations require the expected rate of return on assets to be based on the Discount Rate. The liabilities are valued using a market rate derived from high quality corporate bonds and do not depend upon the assets in which the pension is invested.

The actual return on the Scheme assets in the year was (-29.3) % (2021: -5.5%).

Sensitivity of Assumptions

	2022 £million	2021 £million
A 0.5% reduction in discount rate	(6.8)	(16.6)
A 0.5% increase in price inflation	4.2	8.8
A one-year increase in average age of member on death	(4.2)	(7.8)

The above sensitivities show the impact of various changes on the net pension surplus/deficit.

Risk

The Trustees, with the support of the Governors, have continued to take four main steps to reduce risk:

- i. Purchased annuities for pensions in payment when overall market conditions have been appropriate to do so.
- ii. Followed a liability driven investment policy
- iii. Hedged against interest rate and inflation fluctuations.
- iv. Do not hold any equities.

Analysis of the amount charged to Expenditure

	2022 £'000	2021 £'000
Current service cost	41	217
Other costs	1,060	1,039
Past service cost	-	70
Total Operating charge	1,101	1,326
Expected return on Scheme assets	(4,858)	(4,302)
Restriction on charge relating to funded pension scheme liability	(222)	(323)
Interest on pension liabilities	4,035	3,375
Net return	(1,045)	(1,250)
Total	56	76

The past service cost value of £70k in 2021, related to the additional cost of equalising Guaranteed Minimum Pension benefits provided by the Scheme, is the result of the revised assumptions shown above. This was in addition to the £553k recognised in 2019. This additional cost is fully allowed for in the scheme's liabilities.

Analysis of amount recognised in the Statement of Financial Activities as actuarial gains and losses

	2022 £'000	2021 £'000
Actual return less expected return on Scheme assets	(59,589)	(17,620)
Experience loss arising on the liabilities	3,739	1,760
Changes in assumptions underlying the present value of liabilities	51,572	(1,861)
Actuarial gains before restriction	(4,278)	(17,721)
Restriction of negative movement on pension scheme asset	4,979	17,659
Actuarial gains/(losses)	701	(62)
Cumulative amounts recognised as actuarial losses	(41,017)	(41,718)

Movement in liabilities during the Year

	2022 £'000	2021 £'000
Liabilities at the beginning of the year (funded Scheme and unfunded arrangements)	208,112	210,208
Movement in the year:		
Current accrual cost	41	248
Interest cost	4,035	3,375
Past service cost	-	70
Gain on curtailments	(70)	-
Loss on changes in assumptions	(51,572)	1,861
Experience (gain)/loss on liabilities	(3,739)	(1,870)
Experience change in secured pensioner value	(6,016)	(3,235)
Benefits paid	(2,551)	(2,545)
Liabilities at the end of the year (funded Scheme and unfunded arrangements)	148,240	208,112

Liabilities at the year-end included £2,103k (2021: £2,847k) in respect of unfunded arrangements outside the Scheme. £99k was paid in respect of this arrangement during the year.

Movement in Scheme assets during the Year

	2022 £'000	2021 £'000
Scheme assets at the beginning of the year	250,706	270,577
Movement in the year:		
Expected return on Scheme assets	4,858	4,302
Actuarial (loss)/gain	(59,589)	(17,620)
Death in service insurance premiums paid	(6)	(14)
Expenses paid by Scheme	(1,054)	(1,025)
Experience change in secured pensioner value	(6,016)	(3,235)
Employer contributions	340	168
Benefits paid directly from Scheme assets other than annuities	(2,452)	(2,447)
Scheme assets at the end of the year	186,787	250,706

History of experience Gains and Losses

	2022 £'000	2021 £'000	2020 £'000	2019 £'000	2018 £'000
Scheme assets	186,787	250,706	270,577	241,118	233,634
Pension liabilities: funded scheme and unfunded arrangements	(148,240)	(208,112)	(207,291)	(187,612)	(178,192)
Net surplus/(deficit): funded Scheme and unfunded arrangements	38,547	42,594	63,286	53,506	55,442
Experience adjustments on Scheme assets	(59,589)	(17,620)	29,081	11,632	1,854
Experience adjustments on Scheme liabilities	3,739	1,760	(951)	(1,819)	(139)

Expected contributions payable by the Foundation to the Scheme for the year to 30th June 2023 are £400k. No special payments are planned due to the surplus of £41 million in funded Scheme assets at 30th June 2022.

The contributions expected in the year to 30 June 2023 are only in relation to scheme running costs. No contributions are due in relation to staff pensions due to the closure of the scheme to future accrual from 31 August 2021.

15. Operating Lease Commitments

Group and Foundation

Total minimum lease payments due to be made under non-cancellable operating leases:

	2022 £'000	2021 £'000
Not later than 1 year	35	68
Two to five years	-	35
	35	103

16. Grants

Foundation	£000s	No.
Fairer systems	1,611	9
Smarter Justice	139	2
Stronger sector – general grants	3,892	21
Stronger sector – Justice first fellowship	1,627	17
Extensions to prior year grants	188	-
Other adjustments to prior year grants	(149)	-
	7,308	49
Justice Collaborations	4,174	
Less: grant award from the Foundation to Justice Collaborations	(250)	

Total	11,232

The details of the new grants awarded in the year are shown on the following pages:

Programme	£000s
Fairer Systems	1,611
Child Poverty Action Group (CPAG)	475
Human Rights Consortium	250
Human Rights Consortium Scotland	200
Just Fair	70
JUSTICE	70
Open Trust	77
The Bureau of Investigative Journalism	70
The Constitution Unit (part of University College London)	300
the3million	99
Smarter Justice	139
British and Irish Legal Information Institute	52
Centre for Public Data	87
Stronger Sector	3,892
Access Social Care	239
Advice NI	170
Article 39	118
Central England Law Centre	300
Child Rights and Youth Justice C.I.C.	86
Citizens Advice Liverpool	150
Disability Rights UK	285
Family Rights Group	380
Greater Manchester Immigration Aid Unit	150
Justice Collaborations	250
JustRight Scotland (JRS)	180
Law Centres Network (on behalf of Canolfan Gyfraith Y Gogledd)	20
Legal Aid Practitioners Group (LAPG)	350
Norfolk Community Law Service Ltd (NCLS)	150
Public Interest Law Centre	210
Rape Crisis Scotland	190
Refugee Action	300
Southwark Law Centre	104
The AIRE Centre (Advice on Individual Rights in Europe)	30
The Immigration Law Practitioners' Association	150
Wiltshire Law Centre	80
Total	5,642

Justice First Fellowship Hosts	£000s
Asylum Aid	95
Barking and Dagenham Citizens Advice Bureau	85
Children's Legal Centre (Hillary Rodham Clinton School of Law)	104
Coram Children's Legal Centre Limited	96
Disability Law Service	96
Dundee Law Centre	94
Family Rights Group	104
Greater Manchester Law Centre	80
Hammersmith & Fulham Law Centre	100
Harrow Law Centre	89
Liverpool Law Clinic (part of the University of Liverpool)	104
Mary Ward Legal Centre	108
Maternity Action	110
Norfolk Community Law Service Ltd (NCLS)	107
Refugee Rights Hub, Helena Kennedy Centre for International Justice, Sheffield Hallam University	80
Release Legal Emergency & Drugs Service	83
South West London Law Centres	92
Total	1,627

Grants awarded by Justice Collaborations:

Organisation	Advice and Representation	Influencing	Total
	£000s	£000s	£000s
East Midlands	20	-	20
Nottingham and Nottinghamshire Refugee Forum	20	-	20
England & Wales	-	250	250
Public Law Project	-	250	250
London	1372		1372
Coram Children's Legal Centre Limited	250	-	250
East European Resource Centre (EERC)	132	-	132
Freedom from Torture	270	-	270
Migrants Organise Ltd	350	-	350
South London Refugee Association	300	-	300
Work Rights Centre	70	-	70
National	-	573	573

Asylos	-	155	155
Focus on Labour Exploitation	-	275	275
Reunite Families UK	-	25	25
the3million	-	118	118
Northern Ireland	500	-	500
Law Centre NI	300	-	300
STEP (South Tyrone Empowerment Programme)	200	-	200
Scotland	70	-	70
Settled	70	-	70
South East	500	-	500
Asylum Welcome	389	-	389
Samphire	111	-	111
South West	18	-	18
Bristol Law Centre	18	-	18
Wales	-	96	96
The Bevan Foundation		96	96
West Midlands	75	-	75
Tulia (Registered as Migrant Family Support CIC)	75	-	75
Yorkshire and the Humber	500	200	700
Manuel Bravo Project	250	-	250
Migrant Action	-	200	200
Refugee Action	250	-	250
Total	3,055	1,119	4,174

17. Related party transactions

Grantee	Trustee/Key management	Relationship	Grant awarded in the year ended 30.6.21 £'000s	Grant awarded in the year ended 30.6.22 £'000s	Balance outstanding at 30.6.22 £'000s
Asylum Aid	Alison Pickup	Director	-	95	95
Bingham Centre for the rule of law	Guy Beringer	Co-Chair of Bingham Centre	-	-	21

British and Irish Legal Information Institute (BAILLI)	Guy Beringer	Trustee of BAILLI	-	52	-
Public Law Project	Alison Pickup	Legal Director	393	-	233
			393	147	349

None of the above Trustees took part in any discussions or decisions regarding a grant to a party to whom they are related.

Paddy Sloan is an employee of the BBC and during the year £329k of grants were awarded to the Foundation by BBC Children in Need. Paddy Sloan took no part in the decisions to award the grants to the Foundation.

Justice Collaborations

Guy Beringer, Paddy Sloan and Alison Pickup were Trustees of both The Legal Education Foundation and its wholly owned subsidiary, Justice Collaborations, during the year. The Chief Executive of The Legal Education Foundation is also a Trustee of Justice Collaborations. During the year the Foundation awarded and paid in full a grant to Justice Collaborations of £250k. (2021: £500k).

During the year, £76k of costs (2021: £139k) were recharged from The Legal Education Foundation to Justice Collaborations. There was a balance due to the Foundation of £23k at 30 June 2022 (30 June 2021: £39k).

18. Contingent Assets and Contingent liabilities

Group and Foundation

Onerous Lease

A contingent liability remains for the Foundation if the assignee of the lease is unable to meet any liabilities that fall due until the end of the lease in March 2028.

Due to the impact of COVID on the assignee's business the landlord agreed to defer two quarters rent and an agreement was also reached under which the Foundation agreed to pay the rent due under the lease for the year 2021 on behalf of the assignee. The assignee agreed to repay the Foundation in equal instalments over the 18 months from January 2022 and payments have been made as per the agreement for the period to 30 June 2022. The £667k (2021: £500k) due to the Foundation is included in debtors (see Note 8).

The Foundation continues to monitor the situation and at this time considers that a provision is not required.

19. Subsidiary Undertakings

Justice Collaborations (registered charity number: 1187441; company registration number: 12328192)

Justice Collaborations was established in 2019 as a registered charity and a company limited by guarantee. It is registered in England and Wales and is a wholly owned subsidiary of The Legal Education Foundation. The Legal Education Foundation is the sole member of Justice Collaborations and the liability of the member is limited to £1.

20. Reconciliation of consolidated net expenditure to net cash outflow from operating activities

	2022	2021
	£000s	£000s
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(9,520)	(5,735)
Adjustments for:		
Depreciation charges	-	-
Dividends and interest from fixed asset and current asset investments	(2,785)	(2,962)
Increase/(decrease) in provisions	(744)	(70)
(Increase)/Decrease in debtors	1,952	335
Increase/(decrease) in creditors	4,179	3,705
Difference between pension cost charged and contributions paid	701	(62)
Net cash provided by (used in) operating activities	(6,217)	(4,789)
Analysis of cash and cash equivalents:		
Cash at bank and in hand	5,866	3,212
Current Asset Investments	6,382	5,727
Total cash and cash equivalents	12,248	8,939

21. Comparative Statements of Financial Activities

Consolidated Statement of Financial Activities for the Year Ended 30 June 2021

	Note	2021 Unrestricted £'000	2021 Restricted £'000	2021 Total £'000
Incoming from:				
Investments	2	2,572	-	2,572
Donations and Legacies	2	-	2,736	2,736
Other	2	-	-	-
Total Incoming Resources		2,572	2,736	5,308
Expenditure on:				
Raising Funds (investment management costs)	5	258	-	258
Charitable activities	5	7,378	3,390	10,768
Other	5	17	-	17
Total	5	7,653	3,390	11,043
Net (expenditure)/income before investment gains & losses		(5,081)	(654)	(5,735)
Net (Losses)/Gains on Investment	7,9	48,694	-	48,694
Net Income/(expenditure)		43,613	(654)	42,959
Other recognised Gains and Losses:				
Actuarial Gain on defined benefit Pension Scheme	14	(17,721)	-	(17,721)
Restriction of movement on Pension Scheme Asset	14	17,659	-	17,659
Net movement in Funds		43,551	(654)	42,897
Reconciliation of Funds				
Total Funds brought forward	13	245,678	6,210	251,888
Total Funds carried forward		289,229	5,556	294,785

Statement of Financial Activities of the Individual parent charity for the Year Ended 30 June 2021

	Note	2021 Unrestricted £'000	2021 Restricted £'000	2021 Total £'000
Incoming from:				
Investments	2	2,572	-	2,572
Donations and Legacies	2	-	561	561
Other	2	139	-	139
Total Incoming Resources		2,711	561	3,272
Expenditure on:				
Raising Funds (investment management costs)	5	258	-	258
Charitable activities	5	7,516	536	8,052
Other	5	17	-	17
Total	5	7,791	536	8,327
Net (expenditure)/income before investment gains & losses		(5,080)	25	(5,055)
Net (Losses)/Gains on Investment	7,9	48,694	-	48,694
Net Income/(expenditure)		43,614	25	43,639
Other recognised Gains and Losses:				
Actuarial Gain on defined benefit Pension Scheme	14	(17,721)	-	(17,721)
Restriction of movement on Pension Scheme Asset	14	17,659	-	17,659
Net movement in Funds		43,552	25	43,577
Reconciliation of Funds				
Total Funds brought forward	13	245,677	69	245,746
Total Funds carried forward	13	289,229	94	289,323

22. Comparative statement of Analysis of net assets between funds**Group**

	Unrestricted	Restricted	
	Funds	Funds	2021
	£'000	£'000	£'000
Fixed assets	289,946	-	289,946
Current assets	14,836	5,556	20,392
Liabilities <1 year	(7,595)	-	(7,595)
Liabilities >1 year	(7,958)	-	(7,958)
	289,229	5,556	294,785

Foundation

	Unrestricted	Restricted	
	Funds	Funds	2021
	£'000	£'000	£'000
Fixed assets	289,946	-	289,946
Current assets	11,762	94	11,856
Liabilities <1 year	(6,460)	-	(6,460)
Liabilities >1 year	(6,019)	-	(6,019)
	289,229	94	289,323

23. Comparative statement of movement in funds**Group**

	At	Movement	At
	1.7.20	in funds	30.6.21
	£'000	£'000	£'000
General funds	248,595	43,481	292,076
Funds excluding pension liability	248,595	43,481	292,076
Unfunded pension liability	(2,917)	70	(2,847)
	245,678	43,551	289,229
Restricted funds	6,210	(654)	5,556
Total funds	251,888	42,897	294,785

Foundation

	At 1.7.20 £'000	Movement in funds £'000	At 30.6.21 £'000
General funds	248,594	43,482	292,076
Funds excluding pension liability	248,594	43,482	292,076
Unfunded pension liability	(2,917)	70	(2,847)
	245,677	43,552	289,229
Restricted funds	69	25	94
Total funds	245,746	43,577	289,323

Accounts

The Legal Education Foundation

Annual Report & Consolidated Financial Statements

Year to 30 June 2021

Foundation Details

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Charity Registration Number

271297

Principal Professional Advisers

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* Cambridge Associates were the Foundation's investment advisers throughout the year to 30 June 2021. Sarasin and Partners were appointed on 24 August 2021.

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Report of the Governors for the Year Ended 30 June 2021

CONSTITUTION

The Legal Education Foundation ('The Foundation') is an educational charity incorporated in 1962 and granted a Royal Charter in 1975.

The ultimate control of the Foundation is vested in the Governors who are also its Trustees. They are appointed by the Members of the Foundation who are the current Governors together with those who were Governors within the previous five years and have not resigned as Members.

OBJECT

The Object of the Foundation, as set out in its Royal Charter, as amended by Order in Council dated 28th April 2021 is:

'To promote the advancement of legal education and the study of law in all its branches, and the sound development and administration of law'.

PUBLIC BENEFIT

The Governors confirm that they have referred to the Charity Commission's guidance on public benefit when considering the Foundation's aims and objectives, in planning future activities, and setting its grant-making policy. The information on the following pages, provides more detail on the benefit that the Foundation's activities provide to the public.

STRUCTURE

The Group consists of the Foundation and its wholly owned subsidiary Justice Collaborations. Justice Collaborations was incorporated on 22 November 2019, is a company limited by guarantee and received charitable status on 17 January 2020.

The trustee Board of Justice Collaborations comprises three Trustees who are also Trustees of the Foundation, the Foundation's chief executive and two independent Trustees. Justice Collaborations' Objects incorporate those of the Foundation, but are wider.

KEY DEVELOPMENTS AND DELIVERY IN THE YEAR

STRATEGY 2020 –2025

Context

The ongoing impacts of the Covid-19 pandemic continue to dominate the context for our work. Evidence from many quarters documents the uneven distribution of effects across people in the UK, falling hardest on elderly people, people from minoritised communities and people with low incomes. Research published in December 2020 by Joseph Rowntree Foundation showed that destitution levels in Great Britain are expected to double in the wake of the pandemic with an estimated two million families, including one million children, likely to struggle to afford necessities. A February 2021 editorial in the British Medical Journal noted that increasing child poverty, homelessness, and food poverty have led to a rise in infant mortality, mental health problems, and stalling life expectancy, especially for women in the poorest areas and cities, and that these are the same areas where 10 years of austerity measures have already hit poorest groups the hardest. In the longer term, the OECD has predicted the effect of the pandemic on employment will be 10 times greater than that of the 2008 financial crisis, and the Office for National Statistics reports that the ongoing costs of responding to coronavirus, coupled with reduced tax revenues, means that by the end of 2020 the UK economy contracted by 9.9%. This was the largest annual fall in over 300 years.

The Foundation has kept the scale of these challenges to the fore this year given our role supporting people and organisations that have a such a crucial role to play in mitigating the immediate impacts on communities and in shaping the national policy response necessary for an inclusive recovery. We have also kept to the fore the fact that these organisations have themselves been severely impacted by the crisis and that the picture for this year remains extremely challenging and uncertain. Staff in the sector have been under great pressure, and often working in unsuitable and isolated conditions, for more than a year.

The OECD has looked at lessons from across the globe on the role of justice systems in building a ‘resilient recovery’. A number of these resonate strongly with areas of the Foundation’s work. Lessons include that for justice systems to provide people-centred access to justice, it is essential to learn about what works and for this to be driven by better data and sound transparent governance of data. Recovery also needs to be approached as a whole-of-government priority. In the UK context, this should include coordination between central government, local government, mayoral authorities and the devolved administrations for Scotland, Wales and Northern Ireland, with transparency of public institutions and decision making crucial. Where this work intersects with justice, it needs to recognise the whole justice chain, especially the role of legal advice and community-led organisations who are often forgotten or neglected. Finally, the OECD points out that technology has many benefits, but it must serve all people and focus on meeting the needs of the most vulnerable.

Another consequence of responses to the pandemic has been accelerated implementation of remote hearings in the justice system. We reported last year on the significant work led by the Foundation to examine the impacts of changes in the justice system. This has continued and extended this year. We have also noted the increasing pressure on government and the justice system over the backlog of cases across civil and criminal justice created by coronavirus measures.

More widely, the legal and constitutional context has faced dramatic developments on many fronts. This has included government-led and independent reviews of human rights, administrative, and immigration law, a levelling up White Paper setting out new interventions to fixing geographical inequality in a move away from protected characteristics, a Procurement Bill that will consolidate and streamline the 350+ EU derived regulations, a Judicial Review Bill and a Police Powers and Protections Bill which is examining protest rights and police powers.

There remains a continued increase in automated decisions for government processes and the use of skeleton bills and secondary legislation which undermine effective parliamentary and public scrutiny as well as increased pressure on the Charity Commission to examine campaigning work by charities.

Detail on how the Foundation's work is addressing this context is set out below.

Vision

Our vision is of a society that fosters the principles of justice and fairness, where people understand and use law to bring about positive change and to prevent harm and where public systems and structures uphold the rule of law.

Strategic objectives

Three programme objectives will drive our work to 2025:

Stronger Sector: Training and support for a thriving social justice legal sector

Fairer Systems: Transparency, accountability and the protection of rights

Smarter Justice: An enduring commitment to learning and evidence in the justice system.

How we work

In carrying out our work, we aim to uphold the following principles and practices:

- We see the Foundation as part of a mutual endeavour, establishing engaged and supportive relationships with those who share our vision, and bringing people together to build alliances and to share expertise.
- We seek to listen and learn, recognising the commitment and expertise that exists in the organisations we work with. We underpin our work with good information and analysis, continually building our knowledge and seeking to reflect this in our work.
- We aim to be a trusted voice, using our knowledge, networks and independence to influence those who can effect change.
- We have a responsibility to use the Foundation's resources to be bold, to support work that others cannot, or do not, and to take a long-term view.
- We seek to support and promote diversity and reflect lived experience in our work.

- We aim to be clear about the way we operate and the choices that we make.
- We marshal and deploy our resources thoughtfully and, as an organisation, seek to maintain the highest standards of operational and administrative efficiency.

Grant-making process and practice

This year, the umbrella body London Funders produced a report examining funder responses to the pandemic. It identified three themes: The importance of flexibility in planning and delivery; changing ways of working; and supporting capacity building. It also identified three key challenges: The expectation of a second wave of demand; the urgency of identifying gaps, overlaps and opportunities for collaboration across the voluntary sector; and the financial precariousness of the sector as a whole and what that means for maintaining social infrastructure. The research also endorsed funding approaches based on trusting relationships and longer-term funding.

In February, we were amongst 50 other funders who signed up to a campaign launched by the Institute for Voluntary Action Research and London Funders calling on funders to adopt simpler, more flexible practices that make life easier for those they fund. The goals include asking funders to commit to being more open and trusting by making grants in a way that reflects the realities facing civil society organisations as well as managing grants in ways that reflect funders' confidence in and respect for the organisations they fund. This all resonates strongly with the approaches we are pursuing as a Foundation.

This year we have introduced a systematic approach to monitoring the extent to which our application process is open and fair, and how our grants reflect the aspirations for the kind of funder that we want to be. This has highlighted that we receive low numbers of applications from organisations led by the communities they serve, and we will work further on this next year. We have also continued the move towards longer term core support for organisations, alongside increasing funding to support staff in organisations to access training and development.

Overall, we experienced a drop in the number of applications from just over 50 to 15, which we ascribe to the impact of coronavirus and the understandable focus of organisations on securing emergency funds from sources such as the Community Justice Fund. TLEF has been a key partner in this fund which went on to award 179 grants to a total of £11.4m in its first wave. It has been an important vehicle for us in marshalling our response and supporting the sector. We have also delivered the first rounds of the Justice Together Initiative which has provided a funding boost for organisations in the immigration field. More detail on both is included below, and a full list of the grants awarded this year is available at page 56.

Collaboration has always been a strong feature of our work, and this has been even more important to us in the recent period. We have been able to build on existing relationships to move fast in delivering current programmes and developing new responses, as well as work with partners on longer-term initiatives.

Working at a policy level has become an important component of our approach as a Foundation, further strengthened this year by the recruitment of Emily McCarron as Policy Manager. Our work is guided by a set of principles:

- We are evidence-led and support the collection and use of data, evidence and legal analysis that inform good policy making.

- We aim to be constructive, authoritative and independent.
- We do not promote party political positions but hold firm to our values and strategic objectives.
- We listen to the voice of experts in the field including experts by experience; and
- We think carefully where the Foundation's independent voice can make a contribution and how best to use that voice to bring about positive change.

Strategic objectives in depth

This next section looks at our three strategic objectives in more detail.

Stronger Sector: Training and support for a thriving social justice legal sector

We operate an open grants programme under this area of the strategy which funds a range of activities including:

1. Development and delivery of legal education and training programmes to address systemic gaps in knowledge and practice among advice workers, paralegals, lawyers and managers.
2. Sharing learning and knowledge between practitioners and organisations to improve practice and to increase access to justice.
3. Policy work to influence the local or national statutory and regulatory framework for legal education.
4. Piloting and evaluating new approaches to delivering legal education, including, for example, flexible working, apprenticeships and remote supervision. In delivering these activities, we welcome collaborations between organisations. We also recognise the important role of second-tier organisations supporting other organisations instead of people directly in developing co-ordinated, system-wide responses to addressing gaps.

We have kept in close contact with existing grantees and agreed around twenty variations and extensions to grants to help organisations manage the effects of coronavirus on operations and programmes.

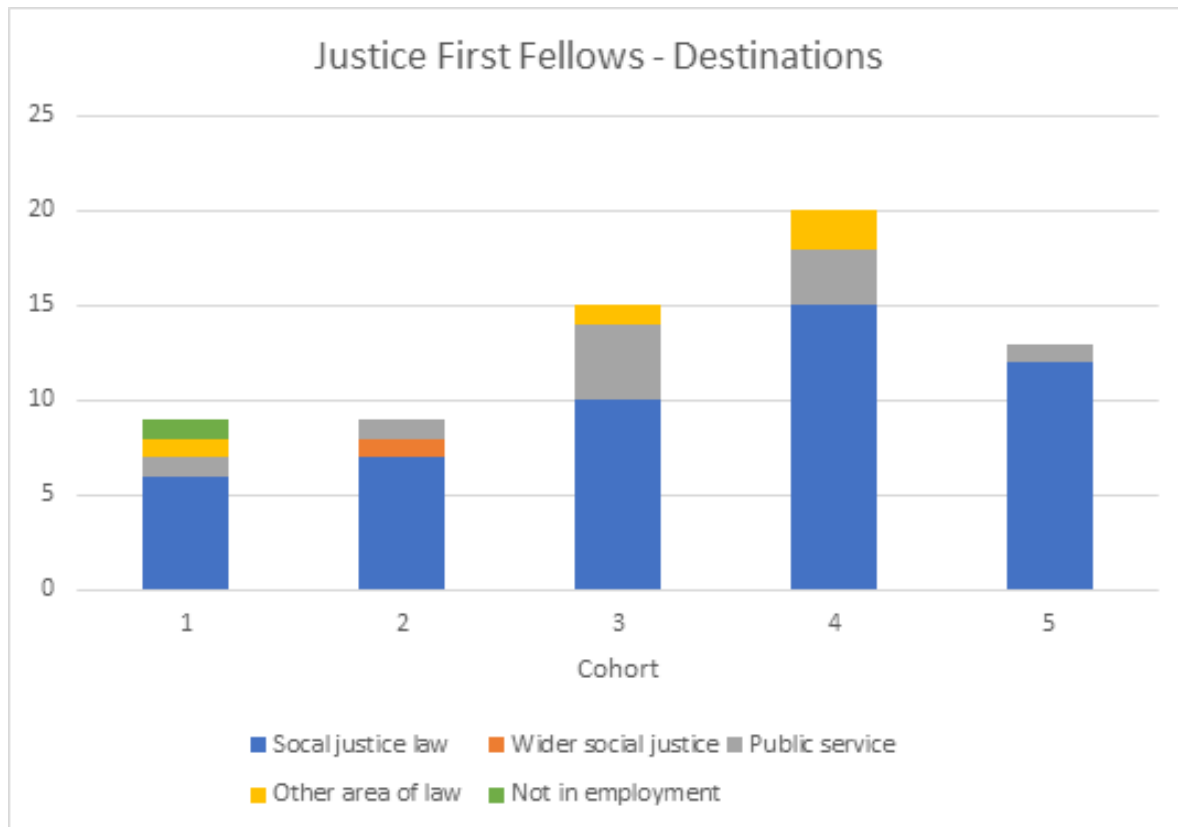
As well as the open grants programme, the Foundation is also carrying out a range of proactive work in support of this strategic objective. We have devoted considerable staff time and resources to work on the Community Justice Fund, for which the main outcome was securing significant external funds for organisations in the legal advice sector. Ongoing staff time on the Justice Together Initiative included publishing the strategy, completing the first grants round and inducting the Grants Committee. Strengthening infrastructure support for advice organisations will remain an important element over the course of this strategy.

Justice First Fellowship

The Justice First Fellowship, which sits under the Stronger Sector objective, is the Foundation's scheme to support the next generation of social justice lawyers. Since 2014, more than one hundred Fellowships have been awarded across all four nations in the UK over seven cohorts, with recruitment currently underway for an eighth cohort that will start in January 2022. The Foundation has invested some £7.0 million in the scheme so far. Further expansion has been helped by the contributions of other funders and law firms now totalling over £3.1million. Whilst the focus of funding and activity is on the two years that Fellows spend on the scheme completing their professional training and gaining wider skills and experience, the longer-term

objective is to support Fellows into sustainable employment in social justice law. We monitor employment destinations over time and, so far, outcomes are excellent. Of the sixty-six Fellows that have graduated from the scheme, sixty-five are in paid employment and one is the primary care giver for her family. Ninety-one percent are working as lawyers in roles using law for public benefit.

This chart sets out the current employment of all graduated Fellows.



Seventy-six percent of Fellows (50 Fellows) are working as lawyers in social justice law. Within this, over half are still working at their original host organisation. These are new jobs that have been created and sustained in these organisations. Other Fellows have moved on to new social justice organisations, and it has been striking to see where exciting new roles have been created in the field, Fellows have been successfully securing those posts. Fifteen percent of Fellows (10 Fellows) have moved into roles as lawyers in central government, local government or the courts service. In some cases, this was to gain experience in another setting. In others it was for greater job security and higher salary. A small number of Fellows are working in social justice NGOs or unions but not as lawyers. Four Fellows are working in areas of law that sit outside social justice such as commercial employment and personal injury law.

Fellows reflect a diverse range of backgrounds with a large proportion coming from minority ethnic groups or with direct lived experience of circumstances where they themselves have needed the support of social welfare legal advice services. The quality of candidates is very high and their commitment to social justice is clear.

Co-funding has been a positive feature of the scheme since inception. AB Charitable Trust, BBC Children in Need, City Bridge Trust, Allen & Overy, Herbert Smith Freehills, Linklaters and Skadden Arps Slate Meagher & Flom have partnered with us over multiple rounds.

As well as funding Fellows, JFF has helped to build the wider field in a range of ways. The principal focus of a partnership with BBC Children in Need was the joint funding of 14 new child lawyers. However, it has also contributed to closer working relationships between the host organisations. A learning partner worked with a child law cluster identifying four strategic themes to work on: developing child-centred lawyering; improving data collection and outcome measurement; supporting collaboration across the children's and youth sector; developing intersections of law in children's legal practice. Collaboration on these themes has now been formalised through the organisations joining together to create the UK Child Law Network. Separate funding has been secured to support the running costs of the network and a joint project is under development to take forward work on child-centred lawyering as a specialist discipline.

The consequences of coronavirus on Fellows have been significant, with impacts on training, project development, employment opportunities and wellbeing. We have re-designed the additional training offered to Fellows to offer shorter, more frequent sessions online, and significantly increased provision of training and support around reflective practice and self-care for Fellows and hosts through a partnership with Claiming Space. These sessions have been very well received and will continue to form an important component of the support we provide.

Another consequence of the pandemic has been to delay work we had wanted to do on expanding elements of the scheme. This includes work on the barrister strand of JFF which has not taken off in the way the solicitor side has.

Reform to solicitor training under the Solicitors' Qualifying Examination also means we are adapting the structure of JFF to help the social justice legal sector harness the potential benefits of SQE. Initial scoping work has been carried out this year which will inform how we take the scheme forward.

In the longer term, the key challenge to JFF is job insecurity and low pay in the social welfare legal sector. Funding pressures will be intensified as a result of the impacts of the pandemic on income and ongoing public funding pressures. The partnership with Community Justice Fund was important and helped to secure £4.3million to 40 organisations that are current or recent Fellow hosts. A good proportion of host organisations in new rounds have hosted Fellows before. However, we continue to support new organisations to host Fellows through TLEF's proactive encouragement of organisations that may not have previously considered applying to host a trainee.

We have funded a small number of Fellowships in private legal aid firms. The income of private firms has been particularly affected by coronavirus and these organisations have also been unable to access emergency funding available to not-for-profits. We will have to monitor this, given the importance to the field of the private legal aid sector.

Whilst the outcomes of the scheme so far are very positive, wider pressures are going to make sustaining this increasingly challenging. However, it is important to see beyond the headline figures to recognise that in the course of their work Fellows every day are making such valuable contributions at significant scale – delivering casework, carrying out research, collaborating with each other and with other organisations, developing new services, making strategic use of law in tribunals and higher courts, including up to the

Supreme Court, embracing communications activity, authoring regular articles in the press, and being interviewed about their work.

The Community Justice Fund

The Community Justice Fund (CJF) was established in March 2020 as a direct response to the coronavirus pandemic and the challenges posed to the legal advice sector and those it supports. The Foundation worked together with other independent funders, AB Charitable Trust, Access to Justice Foundation, Indigo Trust and Therium Access to develop a response that would act quickly and get funds to where they were needed. The independent foundations worked closely with a Steering Group made up of umbrella bodies and frontline organisations to develop this response.

Conscious that the effects of the pandemic would have effects beyond the first lockdown, support was envisioned in two waves. Wave one raised and distributed over £11.4 million from independent funders, the private legal sector, institutional funders including the National Lottery and the Ministry of Justice (MoJ). Last year, the Foundation contributed £250k to the fund and made aligned grants totalling £87k. The fund went on to support 179 organisations, grants ranging from £11k to £274k, with the average grant at £64k. Funding was flexible, with grants being used in a variety of ways including office adaptations, purchase of IT equipment to allow staff to move to remote working, salaries for existing staff who would otherwise be furloughed or lose their jobs, and increased staff time or new staff to meet demand.

In addition to grants, organisations have been offered training and consultancy support. A new Management and Leadership Programme was developed by experienced sector consultant Matt Howgate, who has worked closely with CJF, and Legal Aid Practitioners Group. So far, over 90 people from the funded organisations have signed up, representing a significant input of training into the field. Take up of consultancy offers has also been strong, with the biggest challenge being finding the capacity amongst specialist consultants (of which there are very few) to meet this demand.

Analysis of the wave one applications along with ongoing contact with funded organisations, reveals significant losses in income, principally from legal aid, and the majority of advice agencies have reserves well below Charity Commission guidelines. Although wave one funds have helped to reduce the impacts in this financial year, the sector is still facing cashflow cliff edges in 2021-22 due to a combination of ongoing reduced income, increased demand and challenges to service delivery. Advice agencies have told us of the importance of both continuing with crisis support to sustain and scale up services, while recognising there is longer-term work to strengthen access to justice over the next five to ten years. For example, succession planning is key in the longer term, but current staff also need to be supported right now.

TLEF has contributed considerable staff time and resource to the Community Justice Fund, and it has been a successful vehicle for furthering TLEF's strategic objectives. In particular, it has leveraged significant external funds towards the aims of our Stronger Sector programme, including the Justice First Fellowship and the Justice Together Initiative. Of the £11.6million awarded, 53 current or recent Foundation grantees have been awarded a total of £5.3million and 57 organisations involved in delivering immigration advice received £3.6million. We could not have delivered this scale of support to organisations that are key to our strategy if we had responded on our own.

Wave two of the fund is currently being administered and further planning and development will take place later in the year.

Use of the law by civil society organisations

The Foundation, along with Esmée Fairbairn Foundation, is a partner in the Baring Foundation's Strengthening Civil Society programme. The focus of this work is to support the use of law and human rights-based approaches by civil society organisations. It reflects the importance of law as a relevant tool for bringing about aims and objectives such as tackling discrimination and disadvantage as well as helping to safeguard the independence of civil society. Whilst there are examples of civil society organisations using legal tools effectively, use of the law and human rights-based approaches is far from consistent across the sector and many organisations see no link between these tools and their purpose, strategy and activities, or are wary of using them. This programme aims to boost engagement and to support organisations within broader civil society to embrace law and human rights-based approaches as effective tools for achieving change for individuals and communities. The programme is run as a combination of open application and proactive grants, with the Baring Foundation providing additional support to connect grantees and share learning. In June 2020, the Foundation made a further grant of £600k to this programme over three years.

The focus for the programme in the next year of grant making is on supporting expert legal hub organisations. Hubs are defined as civil society organisations which have specific and demonstrable legal expertise relevant to their social change goals; offer expert legal information, advice and / or representation to civil society organisations; and collaborate to support others to recognise when, where and how legal action can be an effective tool of social change and/or use legal action to achieve social change. The funding available is designed to help hub organisations to scale their activities to enable them to work with more civil society organisations to challenge discrimination and disadvantage and create long-term social change.

Fairer Systems: Transparency, accountability and the protection of rights

The Foundation's second strategic objective focuses on enshrining rule of law principles in key areas of public policy. Our Fairer Systems programme focuses on two linked issues:

1. Constitutional, administrative and public law implications of the UK's revised constitutional settlement following Brexit and emergency provisions in place to respond to Covid-19. We are particularly interested in work to increase the understanding of these changes to help ensure transparency, accountability and the protection of rights.
2. Automated decision-making by government – ensuring that government digital systems, processes and its use of data are clear, fair, and protect people's legal rights. We are particularly interested in the use of technology in relation to welfare benefits and immigration processes.

We are funding a range of activities across these two areas of focus, including:

1. Work to inform, advise, and support policymakers and decision-makers.

2. Co-ordination and networking between practitioners and organisations, including across sectors, to share learning and to increase effectiveness.
3. Building civil society organisations' wider skills and knowledge in relation to our two areas of focus (above).

A strong feature of work on constitutional, administrative and public law developments has been collaboration across the field of organisations being supported by the Foundation. An informal group of grantees including the Bingham Centre, the UCL Constitution Unit, the Institute for Government, the Hansard Society and Public Law Project have been meeting to consider constitutional changes, forthcoming changes to Judicial Review and implications for joint work. JustRight Scotland, the Human Rights Consortium (Scotland), Liberty, Equally Ours and The Public Law Project, as well as the Foundation itself, submitted responses to the Independent Human Rights Act Review consultation and the consultation on proposed changes to Judicial Review. Liberty has been leading and coordinating work on the discrimination and racism, data sharing and stop and search issues arising out of the Police, Crime, Sentencing and Courts Bill 2021.

Implications for the four nations of the UK of the Government's approach to constitutional review are also being examined by JustRight Scotland, the Human Rights Consortium (Scotland), the Committee on the Administration of Justice, the Human Rights Consortium (Northern Ireland) and the Wales Governance Centre.

Under this objective, since 2018, TLEF has developed a focus on the public and human rights law implications of the increasing use of automated and assisted decision-making technologies (ADM/ASDM) by public bodies. We have also funded experts in equality law to examine the issues raised by particular uses of automated and assisted decision making in the public sector. In June 2021, the Foundation convened a workshop on reforming the law around the use of automated and assisted decision making by public bodies which was intended to support the Law Commission in developing priorities for its 14th programme of law reform. The event highlighted the urgent need for reform, finding that as ADM/ASDM systems become more ubiquitous across the public sector, the limitations of these systems and the harms that can arise from their deployment are increasingly well recognised.

Four key sources of law together comprise the legal frameworks governing the use of ADM and ASDM systems by public sector bodies: (i) Data Protection law; (ii) Equality law; (iii) The common law of judicial review; and (iv) contract law. Together, the legal frameworks are complex, piecemeal and insufficient to secure transparency. They create uncertainty and increase the risk that ADM/ASDM systems will be deployed inappropriately, with negative consequences for individuals, public bodies and public funds. Mechanisms for seeking redress are also complex and expensive to access, and the actual redress available limited.

Smarter Justice: An enduring commitment to learning and evidence in the justice system.

Access to good quality data is fundamental to the development of evidence-based policy making, to the design of effective interventions, to monitoring the fairness and lawfulness of processes and to the ability to evaluate and compare initiatives that aim to improve people's ability to secure their rights, protections and fair-treatment. Whilst other sectors, including health and education, have made significant progress in improving the quality of and access to data for research to improve outcomes, the justice system has lagged behind.

The overarching aim of the Smarter Justice programme is to address this challenge. Lessons from our first strategic plan about the scale of work needed in this field led the Foundation to develop an approach that has moved from more traditional grant-making to a series of concerted direct delivery, engagement, and influencing activities. The primary vehicle for this is through the creation of a new strategic initiative, to be delivered by the Foundation, called Justice Lab UK.

The Lab is focusing on delivering the following four programmes over the period 2020-2025:

Programme 1	Improve the quality and availability of justice system data
Programme 2	Increase the volume of robust quantitative research into the justice system and pioneer the use of advanced research methods in the study of justice system processes
Programme 3	Increase capacity in the research community to design and deliver robust, innovative quantitative justice system research
Programme 4	Improve the uptake of robust evidence in the design and operation of the justice system

Over the past 18 months, work has primarily focussed on developing activity under programmes one and two and determining the organisational structure and staffing requirements of Justice Lab UK. Critically, the measures put in place to tackle the spread of coronavirus have resulted in significant changes to the justice system and wider economic and political landscape which have provided significant challenges as well as important opportunities for research.

A key moment was the December 2019 publication of the Foundation's report *Digital Justice*. This was the result of work carried out by Dr. Natalie Byrom, the Foundation's Director of Research, whilst on secondment to HMCTS. Since then, the Foundation has carried out a combination of detailed engagement with and support of relevant public bodies, as well as strategic influencing at every step.

Progress this year

A significant step this year was to secure HM Courts and Tribunal Service's commitment to the key recommendations in *Digital Justice*, along with securing £8million of public funding to support their implementation. One of these recommendations was to create a Senior Data Governance Panel aimed at improving the infrastructure for collecting and using data and advising the Lord Chancellor and Lord Chief Justice on matters relating to gathering and using justice system data. This is now in place, operating in shadow mode, supported by an expert Secretariat. It brings together senior judiciary, MoJ policy teams and civil society experts. Reform of the HMCTS Data Access Panel is also underway, with greater transparency about its membership and processes, alongside the plan to establish a public facing data catalogue which will make it easier for researchers to formulate research projects and receive timely decisions on access to data.

Securing progress has required the Foundation to make extensive efforts in policy engagement and influencing activity. As well as working very closely with officials and members of the judiciary, the Foundation has met and given evidence to the Public Accounts Committee and the House of Lords Constitution Committee. We have also built links with the strategy unit in No 10 which has been tasked with dealing with Covid-related backlogs. The Foundation's input in relation to the importance of data for making effective decisions on how best to deal with courts backlogs has gained significant traction and pushed courts and court data up No 10's agenda. Work to ensure that better data on the impact of remote hearings is gathered will continue to form a critical component of the Foundation's work programme.

Remote hearings

Relatedly, the Foundation's work on data infrastructure and the senior networks we had developed meant that we were uniquely placed to drive work to gather robust, timely information on the impact of remote hearings on key stakeholders in the justice system. Following work for the Civil Justice Council last summer, the Foundation was asked by the Senior President of Tribunals, to carry out research at the end of 2020 with over 1,500 tribunal judges looking at the impact of remote hearings in the tribunal system. It revealed serious issues relating to the ability of judges to make good decisions, perceptions of fairness amongst parties, the ability of parties to make their case and, within this, the importance of representation, levels of which have declined significantly. The resulting report was published in May 2021. Of concern was that, in spite of the scale with which remote hearings have been adopted, there are still large gaps in understanding of their efficacy and impact. There is very little data on the impact of remote hearings on outcomes, judicial decision making, and the experience of court and tribunal users. Objective data to assess the impact of remote hearings on the efficiency of the justice system is also lacking. The work reinforced for us the importance of consistent, robust data collection if the extent to which remote hearings provide a viable route can be robustly assessed.

Placing the justice system in wider work on data and digital systems

We have also looked to place all this work in the wider context of developments in data, seeking both to learn from work elsewhere as well as interest data specialists in understanding the relevance and importance of the justice system to a whole series of wider public policy outcomes. Productive connections have been established with funders such as ADR-UK, AHRC, Luminate, the Nuffield Foundation, and Open Society Foundations, and with organisations working on issues around data and digital rights such as Ada Lovelace Institute, Centre for Public Data, Fair Trials International, Foxglove, Privacy International, Open Democracy, the Open Data Institute, The Bureau of Investigative Journalism, The Turing Institute and the UK Statistics Authority. The Foundation also submitted evidence to the UK Statistics Authority consultation on inclusive data. More work is needed to strengthen interest in justice system data.

Another significant development under the Smarter Justice programme this year was the announcement in June 2021 of a recommendation in Digital Justice that the National Archives will take on responsibility for creating and maintaining a free comprehensive database of all court judgements delivered in England and Wales. The decision was widely welcomed, including by the British and Irish Legal Information Institute (BAILII), the current platform for publishing judgments, which has long advocated for an official repository of court judgments. The Foundation will be working closely with BAILII to assist the transition to The National Archives platform, as well as supporting BAILII's work, with further commentary and resources to help court users and other stakeholders.

Community data

We have also begun work to engage front-line justice organisations. In autumn 2020, the Foundation began scoping work for building sector capacity to collect and use data. This is important as the absence of good data undermines the ability of frontline organisations to identify trends, influence policy, inform the design and delivery of services and support research. Organisations also need support to engage with the challenges and opportunities presented by the expansion in digital government. Addressing these issues will take significant investment over a period of years. Previous work by the Foundation, in particular to strengthen the IT infrastructure of Law Centres across the UK, has created opportunities and close working relationships with Law Centres Network that will be of great value. Developing an effective programme of interventions to strengthen community data assets will also require consistent and expert leadership. As such, the creation of a permanent role within Justice Lab UK to design and lead this work was prioritised. In 2021, data expert Tracey Gyateng was appointed to the role of Community Data Principal at Justice Lab UK, following a period acting as a consultant for the Foundation.

Overall, the Foundation has made significant progress towards improving the quality and availability of justice system data held by the courts and tribunals service, establishing an international reputation for expertise in this space. Over the next year, there are opportunities to consolidate and build on this work as well as a number of ongoing challenges.

Diversity, equity and inclusion ('DEI')

The Foundation has a commitment to justice and fairness in its strategy and values, along with a commitment to the rule of law and tackling the structural and systemic biases that lead to discrimination and undermine equity and inclusion. We continue to take forward activity to ensure that the Foundation is pursuing best practice in this.

A working group made up of staff from the different areas of the Foundation (grants, strategy, policy, administration, governance and finance), supported by a sub-group of Governors, has produced and is overseeing delivery of an action plan looking across all aspects of the Foundation's work to ensure that our commitment to DEI is fully reflected in who we are, how we work and what we are trying to achieve as a Foundation.

The following set of principles has driven this work. DEI should:

- Be integral to our vision, mission and how we work;
- Be positive and constructive – framed around our existing commitment to justice and fairness – at the same time as being alive to injustice;
- Involve us challenging discrimination and bias, including our own;
- Account for the difference between equity and equality i.e. recognise the extra steps needed to achieve equal outcomes;
- Account for the structures, attitudes and practices that act against justice and fairness and the ways these often operate together and reinforce barriers to progress;
- Account for the local, complex, dynamic and inter-connected nature of these issues;
- Be meaningful, purposeful and intentional and not about performative allyship; and that we should
- Be held to account on delivery.

JUSTICE COLLABORATIONS

The Foundation's subsidiary charity, Justice Collaborations (charity number: 1187441), provides a vehicle for hosting joint programmes with other foundations. Justice Collaborations was formed in 2019 as a result of discussions between The Legal Education Foundation and a number of independent funders in the UK. The initial work of Justice Collaborations is the Justice Together Initiative which, through grant making and collaboration, is building a community of people and organisations with diverse backgrounds, strengths, and experience to transform access to justice in the UK immigration system.

By the end of June 2021 grant awards of over £9 million had been committed to the initiative by a number of organisations, including The Legal Education Foundation. The first grant round has been completed this year awarding grants totalling £3.1million. Further information about the Justice Together Initiative can found at <https://justice-together.org.uk/>.

PRIORITIES FOR 2021-2022

The Foundation will:

- Develop our work under the three objectives of the 2020-2025 strategic plan - Stronger Sector, Fairer Systems and Smarter Justice. Applications to Stronger Sector and Fairer Systems will be considered in two grants round in 2021-2022.
- Continue to deliver and develop the Justice First Fellowship programme including planning for the introduction of the Solicitors Qualifying Examination.
- Undertake proactive collaboration, grant-making and advocacy in wider pursuit of our strategic objectives, especially in response to issues arising from the ongoing impacts of the pandemic.
- Take forward the work programme of the Justice Lab.
- Develop further the Justice Together Initiative delivering two grants rounds in the coming financial year and supporting collaboration and learning with new grant partners.
- Develop further the Foundation's practical commitment to promoting diversity and racial justice

FINANCIAL REVIEW

Results for the Period

The Financial Statements for the period are set out on pages 33 to 63. These show that the Group had net expenditure before investment gains for the year of £5.7 million (net income £2.8 million in 2020).

The equivalent figures for the Foundation on a standalone basis are net expenditure before investment gains of £5.1 million in 2021 and £3.3 million in 2020.

All of the Foundation Group's assets are held for the purpose of meeting the Foundation and its subsidiary's charitable objects.

There were no significant financial events during the year that impacted the Foundation's strategy for meeting its objectives. The investment asset allocation of the Capital Fund is based on being able to deliver a real return

of 3.5% per annum over a period of seven or more years. A long period of world equity market decline would however endanger this target and may require the Governors to reconsider their annual expenditure. The Covid-19 pandemic did impact asset market values during 2020, with the Capital fund falling £12 million by the end of the year compared with the starting value although this was after taking £7.7 million for grant and operational expenditure. There was however a more than full recovery in 2021 with the value of the Capital Fund being £58 million higher as at 30 June 2021 compared to 30 June 2020 after having taken £8.05 million for grants and operational expenditure during the year. More information can be found at Note 7 on page 45.

Principal funding sources

The principal source of funds for the Foundation is the return on the Capital Fund. In addition, the Foundation has been awarded restricted grants from other organisations to the value of £561k (£394k in 2020) in the year.

The principal source of funds of the Foundation's subsidiary is restricted grants from other charitable foundations and organisations (2021: £2.7 million; 2020: £6.25 million). It is planned that these funds will be spent over the next 3-5 years in line with the various grant agreements with donors. The first grants round took place in 2021.

Cash flow and cash levels

The Foundation's investment strategy is constructed on a total return basis. The Foundation is entirely funded from its investments and grants from other organisations.

In the financial year to 30 June 2021, £8.05 million (£7.7 million in 2020) was taken from the Capital Fund for grant and operational expenditure.

Cash balances in the Foundation as at 30 June 2021 were £12.2 million (£19.9 million in 2020). Of this sum £6.4 million is earmarked for long-term investment (£15.2 million in 2020) and the balance of £5.8 million (£4.7 million in 2020) is held to fund working capital including grant commitments.

A further part of the Foundation's working capital is held in a portfolio of sterling, investment grade, short dated corporate bonds. The value of these bonds is included in Current Asset Investments (Note 9) at a market value of £4.8 million as at 30 June 2021 (£4.8million in 2020). It is the intention to hold each bond until its maturity.

In addition, cash balances in the subsidiary as at 30 June 2021 were £3.2 million (£0.5million in 2020). Cash balances in Justice Collaborations are maintained at a level sufficient to meet its current liabilities.

The Governors have noted that liquidity levels are projected to remain adequate for all operational and currently planned grant expenditure purposes.

Treasury management

Treasury activities are undertaken under defined procedures, which are approved by the Audit Committee, and policies and limits, which are approved by the Investment Committee. The Foundation aims to maximise

its return on any liquid funds mostly through, short term corporate bonds, referred to above, and short-term fixed deposits subject to the proviso that these deposits are only placed with financial institutions whose credit rating meet standards approved by the Investment Committee. During the year these remained as being institutions with a AA long-term credit rating or an institution defined by H M Government as systemically important.

Pensions

Although the Foundation sold the legal education and training operation of The College of Law on 30th November 2012 it has retained employer responsibility for the College of Law Pension and Assurance Scheme (COLPAS) which is a defined benefit scheme. It was closed to new entrants in 2019 and closed for future accrual of service by active members as from 31st August 2021.

The most recent full Triennial Actuarial Valuation of COLPAS as at 1st August 2018 showed a surplus, on the Statutory Funding Basis, of £27.5 million. The COLPAS Trustees have been continuing a Liability Driven Investment Strategy with the objective of reaching a full buy-out basis over the medium term. Its assets are invested in bought-in annuities, gilts, leveraged gilts, corporate bonds, asset backed credit, private credit and cash. No assets are held in equities.

The Foundation uses four measures of pension scheme valuation. The Scheme Actuary has extrapolated figures from the last full Actuarial Valuation, together with actual data where known, to provide the figures set out below:

Basis	30 June 2021		30 June 2020	
	Funding %	Surplus/(Deficit) £Million	Funding %	Surplus/(Deficit) £Million
Statutory Funding	107	18.4	110	26.4
FRS102 Valuation	122	45.4	131	63.3
Solvency	91	(25.6)	90	(33.0)
Pension Protection Fund	137	70.6	134	71.6

Reserves policy

It is the Governors' policy to maintain the Fixed Asset Investments, otherwise known as the Capital Fund, at £200 million in real terms based on 30 November 2012 and for the Fund to provide a sustainable amount for grant and other expenditure purposes each year over the long term. At 30 June 2021 the value of the Capital Fund was £289.9 million compared to a target maintained real value of £247.6 million. This provides a small cushion following a period of asset growth, which is not expected to continue, and could reduce over the coming years.

The chart on page 19 shows the movement in value of the Capital Fund since inception against this target.

The general funds, after deducting the pensions liability, are the free reserves of the Foundation. The balance on restricted funds at 30 June 2021 was £5.6 million (£6.2 million in 2020).

	Group £000's	Foundation £000's
Total Funds	294,785	289,323
Less: Restricted Funds	(5,556)	(94)
General Funds	289,229	289,229
Less: Amount held for Pension Liability	(2,847)	(2,847)
Free Reserves	286,382	286,382

It is the Governors' policy that the free reserves should increase to reach the value of the capital fund over the long term. As the pension liability (£2,847k; see Note 14) is expected to reduce as a result of payments over a period of more than 10 years, the Governors do not consider that any immediate action to reduce the current shortfall is required.

The Governors and the Finance and General Purposes Committee monitor the level of reserves throughout the year by reference to forecasts provided to them which include calculations and commentary on reserve levels.

INVESTMENT MANAGEMENT AND PERFORMANCE

Investment policy

The Foundation's investment policy is intended to provide long term stability and liquidity sufficient to maintain the real value of the capital fund after transferring funds for grant and other expenditure each year.

The Foundation's Investment Policy Statement sets out the parameters within which the Investment Committee and Investment Advisers must operate to do this.

The Governors have approved a grant and operational expenditure budget of £9 million for the Foundation for the period to 30 June 2022. This sum will be taken from the capital fund during the year.

Review of Investment management

During the year, the Investment Committee undertook a review of the way that the Foundation's capital fund is managed. There were three main reasons for the Committee undertaking this review,

- It was considered that the current advisory basis of management was not the most appropriate particularly in such a challenging investment period and that a full discretionary basis would be more appropriate.
- There had been a number of new entrants to the charity Investment management field over the last eight years since Cambridge Associates was first appointed to advise on the investment of the Foundations portfolio.
- As a matter of good practice, all aspects of a current appointment should be reviewed every three to five years and the last review was in 2017-2018.

The Committee had support in undertaking its review from the specialist advisory firm JPFM Ltd.

As a result of a detailed analysis of the overall charity Investment management market and presentations by three potential managers it was decided to recommend that the Governors appoint Sarasin & Partners.

An agreement has been signed with Sarasin & Partners to manage the Foundations capital fund on a discretionary basis. The liquidation of current holdings and the transfer of the proceeds for reinvestment is planned for September 2021, except for two illiquid investments which will be liquidated and transferred as soon as holding exit dates are reached.

Throughout the year the Investment Committee has also been holding its regular quarterly meetings with Cambridge Associates. These are held in order monitor performance, markets and the investment background as well as to agree portfolio changes; something that has been particularly challenging because of the pandemic.

Having joined the Principles of Responsible Investment in 2019, the Foundation was pleased to submit its first annual report covering the year to 31st December 2020 in Spring 2021.

Investment policy statement

The Investment Policy Statement covers the following main areas:

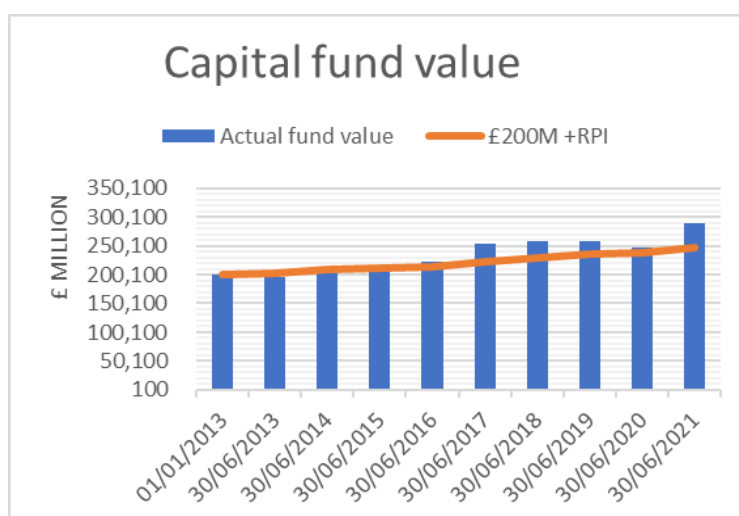
- The intention over the medium term to maintain the real value of the Capital Fund.
- The aim to provide over the long-term an annual sum equal to 3.5% of the Capital Fund for grant and operational expenditure.
- The Foundation's attitude to risk.
- The Foundation's commitment to responsible investment.
- The strategic asset allocation.
- Liquidity requirements.
- The Investment portfolio is to be managed on a total return basis.

The Investment Committee consider and approve the investment managers which are recommended by Cambridge Associates to be appointed for each element of the asset allocation strategy.

Investment Performance

Cambridge Associates prepares a detailed reporting pack each quarter to enable the Investment Committee to monitor performance against selected benchmarks and to report on progress to the Governors.

The graph below shows the actual value of the capital fund compared to the amount that would be required to maintain its real value. It should be noted that whilst the capital fund value at 30 June 2021 was ahead of its target, the period since its creation is only 8 years and it is likely that there will be greater volatility in future years. The Foundation has also been advised by Cambridge Associates that returns over the next ten years are expected to be lower than in the past owing to the relatively high level from which valuations of growth assets start.



The table below shows the performance of the investment portfolio against the long-term target. It must be remembered that these periods are less than a full investment cycle and under what have been mostly favourable investment conditions.

	Portfolio Return	Retail Price Index	Over/(Under)
Performance Over (annualised)	%	%	
1 Year to 30 June 2021	21.0	3.9	+17.1
3 Years to 30 June 2021	6.9	2.6	+4.3
Since Inception (2013) to 30 June 2021	7.2	2.5	+4.7

Asset allocation

The medium-term target is to have 75% of assets in growth drivers in order to generate the returns set out in the investment policy statement. The current allocation and changes since last year can be seen in the table below.

Asset Class	2021 %	2020 %	Change
Growth Drivers			
UK Equities	-	9.0	(9.0)
Global Equities	71.5	56.5	15.0
Emerging Markets	7.1	11.4	(4.3)
Total Growth Drivers	78.6	76.9	
Diversifiers	9.9	11.7	(1.8)
Inflation Sensitive	4.9	5.2	(0.3)
Deflation Hedging	6.6	6.2	0.4
Total Assets	100.0	100.0	

Environmental, social and governance factors in investments

The Foundation has confirmed its commitment to environmental, social and governance (ESG) in its investment policy. In addition to becoming a member signatory of the United Nations Principles for Responsible Investment (PRI) it also monitors all funds in which it has holdings for their engagement in ESG matters and takes these into account when making and managing investments.

Each of the investment managers with which the Foundation has invested take environmental, social and governance factors into account when making investments. Fourteen of these managers are signatories to the PRI and as such they are required to report to PRI on their ESG activity in detail on an annual basis. An annual report on investment managers' work in relation to ESG matters is considered by the Investment Committee and also made to the Governors. A number of the managers are also members of other bodies that promote engagement with companies in which they invest with regard to ESG as a senior management responsibility and to plan and report annually on their engagement in promoting these factors. It should be noted that the Foundation only invests through funds and not directly in any individual equity holdings.

Holdings

An analysis of the Capital Fund holdings is provided at Note 7 on page 45.

Statement of Governors' Responsibilities

The Governors are responsible for overseeing the preparation of the Annual Report and Accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Foundation and of its incoming resources and application of resources for that period. In preparing these financial statements the Governors are required to:

- Select suitable accounting policies and then apply these consistently.
- Observe the methods and principles in the Charities Statements of Recommended Practice (SORP).
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable 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 Foundation will continue in existence.

The Governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the Foundation's by-laws. They are also responsible for safeguarding the assets of the Foundation and consequently for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors confirm that:

- So far as they are aware there is no relevant audit information of which the Foundation's auditor is unaware.
- They have taken all steps that they believe they ought to have taken as Governors and Trustees in order to make themselves aware of any relevant audit information and to establish that the Foundation's auditor is aware of that information.

RISK MANAGEMENT

Overall

The Governors are responsible for identifying, managing and monitoring the risks facing the Foundation and its subsidiary and for mitigating these risks so as to arrive at an acceptable risk appetite.

A risk register is maintained which lists and ranks all identified risks via a traffic light system that shows gross and net risk for each identified item of risk. The register also identifies responsibilities for action and the timing of the next review of each risk. A summary and the full register are considered at each Audit Committee meeting. The register includes a separate section for the risks associated with the subsidiary, Justice Collaborations.

The Governors receive the summary paper at each meeting and consider the full risk register once a year.

In addition to the principal residual risks described below, the Investment Committee have this year considered the risks associated with a change of Investment manager. Whilst significant risks have been identified, they are short term and the Committee has agreed steps to minimise those.

Principal residual risks

Loss of key staff

This risk is mostly mitigated by documenting all key policies and procedures as well as by having job descriptions for each role.

Long term decline in value of the Capital Fund.

This risk is managed by the Investment Committee with the support of investment advisers. There is regular on-going review of the strategic asset allocation, investment strategies and investment managers and ongoing market and manager updates including meetings with managers. Annual reports on due diligence reviews are also undertaken by the Investment Committee. The levels of stock and industry concentration as well as currency exposure, are monitored quarterly. Policies and restrictions to help manage these risks are included in the Investment Policy Statement.

Cyber security

A regular external review of the processes and procedures in place and their operation together with the physical protections put in place, is undertaken and reported to the Audit Committee. Insurance cover is in place to cover the cost of recovery from a cyber-attack.

The Governors have taken steps, including implementing systems and procedures, which have been externally reviewed, to mitigate each of these risks to reduce their impact and these are documented in the Risk Register. The main residual risks are listed above. In each case steps have been taken to reduce the likelihood balanced against the cost and impact of reducing these risks further.

The Audit Committee reports annually to the Governors on the internal controls in place.

Insurance cover is reviewed annually with brokers to ensure that, wherever appropriate, risk is covered.

Investment attitude to risk

The key risk to long-term sustainability of the Foundation is inflation and the assets are invested to mitigate this risk over the long term. The Governors understand that this is likely to mean that investment will be focussed on real assets and that the capital value will fluctuate.

The Governors are able to tolerate volatility of the Capital Fund provided the Foundation is able to meet current expenditure from the real return on its assets.

The Foundation recognises that leverage is an integral part of some investment strategies but acknowledges that this can substantially increase the risk in the portfolio. Overall leverage is therefore targeted to be modest.

Exposure to any single actively-managed fund does not exceed 10% of portfolio assets. The purpose of this diversification is to provide reasonable assurance that no manager could have a disproportionate negative impact on the portfolio's aggregate results. The Investment Committee also monitors the largest 10 holdings of each fund manager in order to identify any large combined-holdings in any one equity.

GOVERNANCE

Governors

The ultimate control of the Foundation is vested in the Governors who are also the Foundation's Trustees. They are appointed by the Members of the Foundation. Day-to-day control of the Foundation is exercised by a management team led by the Chief Executive who is appointed by the Governors.

The Governors normally meet five times during the year, with additional meetings taking place if necessary. The Governors devote each meeting to considering strategic issues in addition to receiving update reports from the Chairs of each committee and a progress report from the Chief Executive.

The Governors undertook a review of their effectiveness during the previous year and decided that, in order for them to devote more time to strategy development and monitoring, further responsibilities should be devolved to the committees.

The Foundation's financial regulations specify authorisation limits for budget holders, with material transactions being approved by the Governors or committees. In addition, formal treasury policies are in place.

The Governors have five committees to oversee, monitor and approve actions on the major areas of the Foundation's activities and responsibilities. The terms of reference of each committee are reviewed on a regular basis to ensure that they remain appropriate to the Foundation's needs.

The Governors take steps to ensure that they work as an effective team, using the appropriate balance of skills, experience, backgrounds and knowledge to make informed decisions. They can access independent professional advice, such as legal or financial advice, at the Foundation's expense if needed.

The Governors and those who served as such at any time during the financial year, together with details of their Committee memberships as at the approval date, 13th October 2021, are shown on page 26. Further details on each Governor can be found on our website:

<https://www.thelegaleducationfoundation.org/about-the-legal-education-foundation/governors>

Recruitment of Governors

A skills audit of the Governing Board is undertaken on a periodic basis to identify the skills needed in order for the Foundation to be able to consider, monitor and approve its Strategic Plan. Recruitment and re-appointment of Governors is based on this need.

When considering the recruitment of a Governor, the Nominations Committee decides the most appropriate recruitment method to use. Normally this is by recruitment consultants advertising the role and inviting applications. The Nominations Committee then considers a long list of candidates and selects a shortlist of applicants for interview before making a recommendation to the full governing Board, which after consideration makes a recommendation to the Members.

The Foundation aims to recruit Governors with diverse backgrounds and skills.

Induction and training of Governors

New Trustees are provided with an induction programme during which they have the opportunity to meet with the key management and the Secretary. They are also made aware of:

- the responsibility of Trustees
- the Foundation's Constitution
- the latest financial statements
- the Committees and decision-making processes
- the plan for meeting the Foundation's Object

- the Foundation's risk register
- the Foundation's charity governance checklist.

Training requirements are identified as part of the skills audit review and a programme of training for the following year was considered by the Nominations Committee in September 2021.

Charity Governance Code

The Foundation is committed to best practice in governance. The Audit Committee undertakes an annual review of compliance with the Charity Governance Code. The results of the review have confirmed that the Foundation and its subsidiary continue to comply with the Charity Governance Code.

The Foundation continually reviews ways to further improve its governance and focusses on the areas of the code where this can best occur.

The Governors have supported the senior management in the creation of a diversity, equity and inclusion working group. The activities of this group are reported to the Governors' Board meetings and to the Senior Management Team and will support the objective of continuing to improve governance practice in this area in line with the revised Diversity section of the Code.

The Justice Together initiative, run by Justice Collaborations, has been developed with a commitment to equity and human rights, inclusion and anti-racism at its core. It has a dedicated Anti-Racism Working Group and is working with an expert consultant.

Conflicts of interest

The Foundation's conflicts of interest policy requires Governors, executives and advisers to declare any interest which could give rise to conflict of interest. They are required to exempt themselves from all relevant decisions which may involve a transaction with a related party or in which they may have a conflict of interest although they can take part in general discussion on the area concerned at Governors' meetings. At Grants, Programmes and Learning Committee meetings, members of the Committee are required to recuse themselves from both discussion and decision when an item on which they are conflicted is being discussed.

Fundraising

The Foundation has not entered into contracts with central or local government to deliver services nor has it received grants from central or local government. All restricted funds have been received from other charitable organisations or law firms. It does not raise funds from the public and therefore has not subscribed to any fundraising standards or scheme for fundraising regulation.

The Foundation is aware of the regulations and has nothing further to disclose under the provisions of section 13 of the Charities (Protection and Social Investment) Act 2016.

Audit Committee

The Audit Committee normally meets three times a year. In addition to the Governor Members there is a professionally qualified accountant external member. The Chair is required to have a wide business background. The auditors, who attend each meeting, also have a separate meeting with the committee once a year without any Foundation staff present.

The terms of reference of the committee include a critical review of the annual report and financial statements prior to submission to the Governors for approval, as well as monitoring the effectiveness of the internal control systems and reviewing risk management policies, systems and the Risk Register. The committee is also responsible for considering the appointment, resignation or dismissal of the external auditors. The committee makes a written report on its compliance with its terms of reference and on internal controls and the risk register to the Governors on an annual basis.

Investment Committee

The Investment Committee normally meets four times a year. In addition to the Governor Members there are two additional professionally qualified external members.

Its terms of reference include overseeing the implementation of the Investment Strategy Policy and monitoring investment performance and recommending the amount to be made available to the Foundation for grant and operational expenditure each year.

Finance and General Purposes Committee

The Finance and General Purposes Committee meets at least four times a year and is responsible for reviewing and approving budgets, forecast and other financial projections. It is also responsible for:

- remuneration and benefits for staff
- pension matters
- property matters
- reserves policy
- such other matters as are referred to it by the Governors.

Grants, Programmes and Learning Committee

The Grants, Programmes and Learning Committee normally meets at least twice a year. It also takes decisions on individual grants by email between meetings and it receives regular updates throughout the year.

The committee oversees the implementation of the policy and criteria agreed by the Governors for the award of grants and considers each application for grant and makes recommendations to the full governing body for any awards of over £350k. The committee has delegated authority to the Executive to award individual grants of up to £50k with a maximum total amount of all such grants in any one year of £650k. A report on each of these grants is made to the committee and each grant is reported to the Governors at their next meeting.

The committee is also responsible for monitoring progress against the Foundation's research and learning strategy and its policy and public affairs strategy and reporting on these to the Governors. It also reviews and approves the planned Annual work plans for each of these areas of activity for the coming year.

The committee also receives a report at each meeting providing an analysis of each grant final report which measures the effectiveness of each grant. A separate report is made to each meeting regarding any grantee at risk.

Nominations Committee

The Nominations Committee normally meets three times a year. Its main responsibilities are overseeing the processes for assessing the balance of skills, knowledge, experience and diversity of the Governing Board and the recruitment, appointment and re-appointment of Governors as well as the Chairmanship and the membership of committees. It is also responsible for succession planning.

The policy is for Governors to be appointed for a period of three years with re-appointment being for a maximum of a further six years, so that each Governor serves for no longer than nine years other than in exceptional circumstances. For Governors who were appointed before the College of Law operation was sold, the period of appointment is regarded to have commenced at the November 2012 AGM.

Staff Remuneration

The remuneration of senior management, the Chief Executive and the Deputy Chief Executive, is decided following detailed advice from recruitment and remuneration consultants.

The remuneration of Foundation staff is decided by the Finance and General Purposes Committee.

Governors and Senior Personnel

The Governors and those who served as such at any time during the financial year, together with details of their committee memberships as at 13 October 2021, are shown in the following table.

Committee membership at 13 October 2021

	Audit	Grants, Programmes and Learning	Investment	Nominations	Finance & General Purposes
Guy Beringer (Chairman)					Chair
David Armstrong (left 24.11.20)					
Rupert Baron			Chair		
Ailsa Beaton			X	Chair	
Timothy Dutton (left 31.5.21)					
Roger Finbow - Deputy Chair	Chair			X	
Jonathan Freeman		X		X	
Vivek Luthra			X		X
Alison Pickup		X			
Jane Reeves (left 25.11.20)					
Monica Risam	X			X	
Hetan Shah (appointed 19.2.21)		X			
Rupen Shah (appointed 19.2.21)	X				
Paddy Sloan - Chair elect (appointed 26.10.20)		Chair		X	
Alex Temple (appointed 7.7.21)		X			

In addition:

Kirsty Garrison is a professional accountant external member of the Audit Committee.

Lord Charles Hemphill and David Haysey are professional investment external members of the Investment Committee.

Cullagh Warnock is an external member of the Grants, Programmes and Learning Committee.

Key Management personnel:

For the purposes of compliance with the Charities SORP, Key Management personnel are identified as the Trustees, Matthew Smerdon (Chief Executive) and Alan Humphreys (Deputy Chief Executive and Finance Director).

A full list of all current staff members can be found on the Foundation's website.

Acknowledgements

The Governors would like to acknowledge their thanks to the Foundation's staff who have shown great commitment to the charity's vision and values in a year where the pandemic has had such an impact on us all. This has required great dedication and resolve on the part of our staff and the Governors are very grateful to them all.

Tim Dutton, Jane Reeves and David Armstrong all finished their terms of office as Governors of the Foundation during 2021. They have each served the foundation with great skill and energy and we thank them all for their years of service to the Foundation.

Approved by the Board of Governors on 13 October 2021.



Guy Beringer
Chairman

Independent Auditor's Report to the Governors of the Legal Education Foundation

Opinion

We have audited the financial statements of The Legal Education Foundation (the 'parent charity') and its subsidiary (the 'group') for the year ended 30 June 2021 which comprise the Consolidated Statement of Financial Activities, the Statement of Financial Activities of the Individual Parent Charity, the Group and parent charity Balance Sheets, the Consolidated Statement of Cashflows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and charity's affairs as at 30 June 2021 and of their incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditors under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- sufficient accounting records have not been kept by the parent charity; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Governors' responsibilities set out on page 20, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group's and parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework, that the group and parent charity operates in and how the group and parent charity is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Charities Act 2011, the parent charity's governing document, the Royal Charter and the Foundations By-Laws. We performed audit procedures to

detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's Trustees as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
Davidson House
Forbury Square
Reading
Berkshire
RG1 3EU

Date *29 October 2021*

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Consolidated Statement of Financial Activities for the Year Ended 30 June 2021

	Note	2021 Unrestricted £'000	2021 Restricted £'000	2021 Total £'000	2020 Unrestricted £'000	2020 Restricted £'000	2020 Total £'000
Income							
Investments	2	2,572	-	2,572	3,278	-	3,278
Donations and Legacies	2	-	2,736	2,736	-	6,645	6,645
Other	2	-	-	-	375	-	375
Total Income		2,572	2,736	5,308	3,653	6,645	10,298
Expenditure on:							
Raising Funds (investment management costs)	5	258	-	258	160	-	160
Charitable activities	5	7,378	3,390	10,768	6,520	776	7,296
Other	5	17	-	17	47	-	47
Total	5	7,653	3,390	11,043	6,727	776	7,503
Net (expenditure)/income before investment gains & losses		(5,081)	(654)	(5,735)	(3,074)	5,869	2,795
Net gains/(losses) on Investment	7,9	48,694	-	48,694	(7,190)	-	(7190)
Net income/(expenditure)		43,613	(654)	42,959	(10,264)	5,869	(4,395)
Other recognised Gains and Losses:							
Actuarial (loss)/gain on defined benefit Pension Scheme	14	(17,721)	-	(17,721)	5,951	-	5,951
Restriction of movement on Pension Scheme Asset	14	17,659	-	17,659	(6,180)	-	(6,180)
Net movement in Funds		43,551	(654)	42,897	(10,493)	5,869	(4,624)
Reconciliation of Funds							
Total Funds brought forward	13	245,678	6,210	251,888	256,171	341	256,512
		289,229	5,556	294,785	245,678	6,210	251,888

The Statement of Financial Activities includes all gains and losses recognised in the year. The notes on pages 37 to 63 form part of these financial statements.

Statement of Financial Activities of the Individual parent charity for the
Year Ended 30 June 2021

	Note	2021 Unrestricted £'000	2021 Restricted £'000	2021 Total £'000	2020 Unrestricted £'000	2020 Restricted £'000	2020 Total £'000
Income							
Investments	2	2,572	-	2,572	3,278	-	3,278
Donations and Legacies	2	-	561	561	-	395	395
Other	2	139	-	139	411	-	411
Total income		2,711	561	3,272	3,689	395	4,084
Expenditure on:							
Raising Funds (investment management costs)	5	258	-	258	160	-	160
Charitable activities	5	7,516	536	8,052	6,557	667	7,224
Other	5	17	-	17	47	-	47
Total	5	7,791	536	8,327	6,764	667	7,431
Net (expenditure)/income before investment gains & losses		(5,080)	25	(5,055)	(3,075)	(272)	(3,347)
Net gains/(losses) on Investment	7,9	48,694	-	48,694	(7,190)	-	(7,190)
Net Income/(expenditure)		43,614	25	43,639	(10,265)	(272)	(10,537)
Other recognised Gains and Losses:							
Actuarial (loss)/gain on defined benefit Pension Scheme	14	(17,721)	-	(17,721)	5,951	-	5,951
Restriction of movement on Pension Scheme Asset	14	17,659	-	17,659	(6,180)	-	(6,180)
Net movement in Funds		43,552	25	43,577	(10,494)	(272)	(10,766)
Reconciliation of Funds							
Total Funds brought forward	13	245,677	69	245,746	256,171	341	256,512
	13	289,229	94	289,323	245,677	69	245,746

The Statement of Financial Activities includes all gains and losses recognised in the year. The notes on pages 37 to 63 form part of these financial statements.

Balance Sheets as at 30 June 2021

	Note	Group 30 June 2021 £'000	Foundation 30 June 2021 £'000	Group 30 June 2020 £'000	Foundation 30 June 2020 £'000
Fixed Assets					
Fixed Asset Investments	7	289,946	289,946	246,665	246,665
		289,946	289,946	246,665	246,665
Current Assets					
Debtors	8	6,732	1,383	7,067	1,406
Current Asset Investments	9	10,448	10,448	9,539	9,539
Cash at bank and in hand		3,212	25	534	25
		20,392	11,856	17,140	10,970
Creditors due within one year	10	(7,595)	(6,460)	(5,526)	(5,498)
Net current assets		12,797	5,396	11,614	5,472
Total assets less current liabilities		302,743	295,342	258,279	252,137
Creditors due after more than one year	11	(5,111)	(3,172)	(3,474)	(3,474)
Net assets excluding pension liabilities		297,632	292,170	254,805	248,663
Pension liability	14	(2,847)	(2,847)	(2,917)	(2,917)
Net Assets		294,785	289,323	251,888	245,746
Funds					
General funds		292,076	292,076	248,595	248,594
Less: pension liability	14	(2,847)	(2,847)	(2,917)	(2,917)
General funds after pension liability		289,229	289,229	245,678	245,677
Restricted funds	13	5,556	94	6,210	69
Total Funds	13	294,785	289,323	251,888	245,746

Approved and authorised for issue by the Board of Governors on 13th October 2021



G Beringer (Chair of Governors)



R Finbow (Chair of Audit Committee)

The notes on pages 37 to 63 form part of these financial statements.

Consolidated statement of cashflows

	Note	30 June 2021 £'000	30 June 2020 £'000
Cashflows from operating activities:	20	(4,789)	(6,413)
Cashflows from investing activities:			
Dividends, interest and rents from investments		2,962	3,801
Proceeds from sale of investments		57,132	38,635
Purchase of investments and bonds		(51,647)	(33,819)
Net cash provided by investing activities		8,447	8,617
Change in cash and cash equivalents in the reporting period:		3,658	2,204
Cash and cash equivalents at the beginning of the reporting period		5,281	3,077
Cash and cash equivalents at the end of the reporting period		8,939	5,281

Cash and cash equivalents include cash at bank and in hand £3,212k (£2020: £534k) and cash held in short term deposit accounts £5,727k (2020: £4,747k).

Notes to the Accounts

1. Accounting policies

a. Principal policies

The financial statements of the charity, registered in England and Wales, which is a public benefit entity under FRS 102, are prepared under the historical cost convention as modified by the revaluation of investments and in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102), the 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 United Kingdom and Republic of Ireland (FRS102) (effective 1 January 2019) and the Charities Act 2011.

The functional currency of the Foundation is GBP (sterling). The legal status of the Foundation is that of a Royal Charter Charity.

The accounting policies and estimation techniques have been applied consistently from prior years. A review of the Foundation's activities is set out in the Governors' Report on pages 2 to 19. A review of the financial position of the Foundation, its cash flows, liquidity position and investment position are set out in pages 14 to 20. The Foundation produces an annual business plan and the Governors are satisfied that the Foundation can meet its operational plans from its own resources.

The Foundation has considerable liquid financial resources and it also has no borrowings. As a consequence, the Governors believe that the Foundation is well placed to manage its operating risks successfully and is a going concern.

The Foundation, through its Investment Committee, reviews at each meeting the credit rating of all institutions with which it deposits funds and also reviews the portfolio for credit risk.

The charity has taken advantage of the exemptions in FRS 102 from the requirements to present a charity only cash flow statement and certain disclosures about the charity's financial instruments.

b. Basis of consolidation

The consolidated statement of financial activities, the consolidated balance sheet and the consolidated cash flow statement included the financial statements of the Foundation and its subsidiary undertaking (Justice Collaborations) up to 30 June 2021, using the line by line method. Intra group transactions are eliminated fully on consolidation. The total and net income for the Foundation for the year are shown on page 34.

c. Income

Investment income comprises income from investment funds, fixed income bonds, short term fixed deposits and cash funds. Interest on deposits and cash funds is recognised on an accruals basis. Dividends are recognised from the ex-dividend date when they become receivable.

Donation and Legacy income comprises restricted funds received from external donors for specific programmes as disclosed in Note 13. This income is recognised when the organisation is entitled to the income, receipt is probable, and the amount can be reliably measured.

d. Investment assets

Investments are initially recognised at cost and valued at closing market prices ruling at the balance sheet date which give rise to unrealised gains and losses during the period. These amounts are included under “net gains/(losses) on investment” in the Statement of Financial Activities, which also reflects the difference between the net proceeds from sale of investments and mid-market value at the previous period end.

Net liquid resources comprise cash held in deposit accounts as part of long-term investment planning.

e. Tangible fixed assets

All tangible fixed assets costing over £5,000 are capitalised. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life.

Depreciation is charged when an asset is brought into use at the following rates:

Furniture and equipment: 20-50% of cost per annum.

Assets that are impaired in value are written down to their impaired value.

f. Leases

Operating lease expenses are charged to the Statement of Financial Activities over the life of the lease on a straight-line basis.

g. Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Raising funds

This heading includes the investment management costs (Cambridge Associates Ltd in the period to 30 June 2021), the cost of any other advice relating directly to the investment portfolio and an allocation of staff time in dealing with the Foundation’s investments on a day-to-day basis.

Charitable activities

The costs under this heading are further split between Grants, Grant-making and research, Other direct costs and Governance in Note 5. Staff costs are allocated to these subheadings based on an estimate of time spent on each activity.

Grants are charged to the Statement of Financial Activities when the award is communicated to the recipient and thereby a constructive obligation arises.

Grant-making and research costs include costs of research commissioned and/or carried out by the Foundation, grantee events, costs directly associated with the Justice First Fellowship and Future Advice programmes and an allocation of staff time spent on grant awarding and monitoring.

Other direct costs include office rent and expenses, IT maintenance and website development, insurance and an allocation of staff time spent on support functions including bookkeeping and statutory reporting.

Governance costs include costs of audit fees and costs associated with the functions of the Governors and the cost of the external advisor to the Audit Committee.

Other

The costs in this heading are explained fully in Note 5.

h. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the Balance Sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the Statement of Financial Activities.

i. Fund accounting

The Foundation has various types of funds for which it is responsible, and which require separate disclosure. These are as follows:

Restricted funds

Donations or legacies received, or income arising from such, which are earmarked by the donor for specific purposes. Such purposes are within the overall aims of the Foundation.

Unrestricted funds

Funds are expendable at the discretion of the Governors in furtherance of the objects of the charity. In addition to expenditure on grants, such funds may be held in order to finance capital investment and working capital.

j. Pension costs

For the defined benefit scheme, the amount charged to resources expended is the current service costs. They are included as part of human resources costs. Past service costs/gains are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not

vested immediately, the costs/gains are recognised over the period until vesting occurs. The interest cost and the expected return on the assets are also shown under the relevant category of resources expended. Actuarial gains and losses are recognised immediately in the Statement of Financial Activities.

The assets of the defined benefit scheme are held separately from those of the Foundation, in separate pension trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities.

Where there is a surplus in the funded scheme this is considered irrecoverable as the Governors consider it cannot currently be recovered against future service costs or by future refund. Therefore, a restriction is applied to the surplus to exclude it from the balance sheet.

A number of staff are members of a defined contribution pension scheme. Contributions to this scheme are charged to the Statement of Financial Activities as they are incurred.

Following the closure of the Defined Benefit scheme to future service accrual, from 31st August 2021, a number of staff have joined a group self-invested pension plan from 1st September 2021. Contributions to this scheme will be charged to the Statement of Financial Activities, in future years, as they are incurred.

k. Value added tax

Expenditure is stated gross of irrecoverable value added tax (VAT). Reclaims of value added tax are recognised when the basis of any reclaim has been agreed with H M Revenue & Customs and the amount of any such reclaim can be assessed with reasonable certainty.

During 2020 the Foundation formed a VAT group with its subsidiary, Justice Collaborations, and hence is jointly and severally liable for amounts owed by any member of that VAT group in respect of unpaid VAT.

l. Tax status

The organisation is a registered charity and, as such, for taxation purposes, is entitled to exemption from United Kingdom taxation under the Income and Corporation Taxes Act 1988 and may recover income tax from its UK investment income and part or all of its investment income earned in other jurisdictions.

m. Provisions

Where contracts become onerous, full provision is made for the estimated future costs of the contract. Consideration is made as to whether discounting future cash-flows would have a material impact and the provision is updated accordingly.

n. Related party transactions

Transactions with related parties are disclosed in the notes to these financial statements. The Foundation's policy is for Governors, Executives and advisers to declare their interest and exempt themselves from all relevant discussions and decisions which may involve a transaction with a related party or in which they may have a conflict of interest. Details of related party transactions are included in Note 17.

o. Financial instruments

Financial assets and liabilities are recognised on the Foundation's balance sheet when the Foundation becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are recognised at cost less any relevant impairment for estimated irrecoverable amounts.

Significant judgements and estimates

The Foundation, in preparing its accounts, makes judgements and estimates concerning the future that have a significant effect on the amounts recognised in the accounts in regard to two main areas.

Judgements:**Onerous lease**

The lease was re-assigned on 9 April 2019.

Note 18 provides further information regarding the current position and judgements which have been made regarding potential future liabilities associated with the lease.

Estimates:**Pension Scheme**

The key assumptions used for FRS102 are agreed by the Foundation on advice from the Scheme Actuary and are listed in Note 14.

2. Income

	Group		Foundation	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Investment Income				
Income from investment funds	2,419	3,026	2,419	3,026
Interest on Bonds	131	135	131	135
Interest on short term fixed deposits and cash funds	22	117	22	117
	2,572	3,278	2,572	3,278

Voluntary Income

Grants	2,736	6,645	561	395
Other Income	-	375	139	411
	5,308	10,298	3,272	4,084

Incoming grants are all allocated to restricted funds. Details are shown in Note 13.

3. Transactions with Governors and Connected Persons Group and Foundation

	2021 £'000	2020 £'000
Governors' Expenses		
Travel and Subsistence	-	1

The number of Governors who claimed travel and subsistence expenses was 2 (2020 - 4). The Governors do not receive any remuneration.

4. Net Income/(expenditure)

	2021 £'000	2020 £'000
Net Income/Expenditure for the Year are stated after charging:		
Operating Leases – Rent of Land and Buildings:		
Foundation only	121	119
Fees payable for services provided by the auditor and the auditor's related entities (including irrecoverable VAT):		
Auditor's Remuneration RSM UK Audit LLP:		
Foundation	28	28
Justice Collaborations	14	10
Other services		
Justice Collaborations – tax return	1	-

5. Analysis of Total Expenditure

Group	Human Resources £'000	Other £'000	Total 2021 £'000	Total 2020 £'000
Raising Funds				
Investment Management Costs	47	211	258	160
Charitable activities				
- Grants	-	8,715	8,715	5,219
- Grant-making and Research	788	224	1,012	1,181
- Other Direct costs	345	565	910	713
- Governance	10	121	131	183
	1,143	9,625	10,768	7,296
Other				
Pension Scheme Management Costs	53	-	53	46
Other Pension Scheme Charges	-	(36)	(36)	74
Onerous Lease	-	-	-	(73)
	53	(36)	17	47
	1,243	9,800	11,043	7,503
Foundation				
	Human Resources £'000	Other £'000	Total 2021 £'000	Total 2020 £'000
Raising Funds				
Investment Management Costs	47	211	258	160
Charitable activities				
- Grants	-	6,153	6,153	5,219
- Grant-making and Research	745	224	969	1,171
- Other Direct costs	266	565	831	667
- Governance	10	89	99	167
	1,021	7,031	8,052	7,224
Other				
Pension Scheme	53	-	53	46
Other Pension Scheme Charges	-	(36)	(36)	74
Onerous Lease	-	-	-	(73)
	53	(36)	17	47
	1,121	7,206	8,327	7,431

A breakdown of Grants awarded during the year is given in Note 16 and is referred to in the Governors' Report.

Other Pension Scheme Charges and Adjustments

Details of the costs of the defined benefit pension scheme and unfunded pension are provided in note 14.

Onerous Lease

The lease was reassigned in 2019 and an accrual for associated costs was written back. Further information on the lease is provided in Note 18.

Staff Costs

	2021 £'000 Group	2021 £'000 Foundation	2020 £'000 Group	2020 £'000 Foundation
Wages and Salaries	963	855	841	841
Social Security costs	106	95	95	95
Pension costs – Defined Benefit	168	168	178	178
Pension costs – Defined Contribution	6	3	1	1
	1,243	1,121	1,115	1,115

The number of employees earning in excess of £60,000 per annum, including their taxable benefits, in bands of £10,000 were:

Group and Foundation	2021 No.	2020 No.
£60,001 - £70,000	2	2
£70,001 - £80,000	2	1
£80,001 - £90,000	1	1
£120,001 - £130,000	2	2

The above amounts include as appropriate salary, medical insurance costs and employee contributions to pension schemes made through salary sacrifice. Of the above staff, 6 (2020: 5) were active members of the Foundation's defined benefit pension scheme as at 30 June 2021 and one was not a member of any scheme (2020: 1).

The average number of employees, analysed by function, was:

	2021 No.	2020 No.
Foundation	15	14
Justice Collaborations	3	-

The average full-time equivalent number of employees was 16 (2020:12).

Remuneration of Key Personnel

Key Management Personnel are deemed to comprise the Trustees, Chief Executive and Deputy Chief Executive. Their aggregate remuneration in the current year including pension benefit was £285k (2020: £282k).

Ratio of highest to lowest salary costs

Reflecting our focus on pay transparency and in line with NCVO guidance, the ratio between the highest salary (2021: £124k, 2020: £123k) and the median salary (2021: £55k, 2020: £61k) in the Group is 2.26:1, (2020: 2.0:1). The ratio of the top salary to the lowest as at 30 June 2021 was 3.9:1 (2020: 4.2:1). These calculations are based on Full Time Equivalent salaries before salary sacrifice adjustments.

6. Tangible Assets

Group and Foundation

	Furniture & equipment £'000	Total £'000
Cost at 1 st July 2020	7	7
Additions	-	-
Cost at 30 th June 2021	-	-
Depreciation at 1 st July 2020	7	7
Provision for Year	-	-
Depreciation at 30 th June 2021	7	7
Net book value at 30 th June 2021	-	-
Net book value at 30 th June 2020	-	-

7. Fixed Asset Investments

Group and Foundation

	2021 £'000	2020 £'000
Market Value at 30th June 2020		
Pooled Funds	283,591	231,468
Cash and short-term deposits	6,355	15,197
	289,946	246,665

The investment portfolio is held in a range of managed pooled funds to form a diverse portfolio. Cash and short-term deposits include the cash balances considered to be held as part of Fixed term investments known as the Capital Fund.

Reconciliation of opening & closing Market Values

	2021	2020
	£'000	£'000
Market values as at 1 st July 2020	231,468	240,835
Additions at cost	60,478	36,413
Disposals at cost	(57,132)	(38,633)
Investment gains/(losses)	48,777	(7,147)
Market value of investments as at 30 th June 2021	283,591	231,468
Historical cost of investments at 30 th June 2021	196,125	179,524

Reconciliation of movements in unrealised gains on Investment Assets

	2021	2020
	£'000	£'000
Unrealised gains at 1 st July 2020	51,944	62,238
Movement in the year	35,522	(10,294)
Unrealised gains at 30 th June 2021	87,466	51,944

UK and Overseas Holdings: Pooled Funds

UK Holdings	28,116	43,753
Overseas Holdings	255,475	187,715
	283,591	231,468

The breakdown of the Investments by Funds is as follows:

Growth Funds	2021	Share of Total	2020	Share of Total
	£'000		£'000	
Acadian Global Managed Volatility	-	-	15,907	7%
Arrowstreet ACWI	25,996	9%	19,250	8%
Artemis Institutional Equity Income	-	-	11,034	5%
Cevian Capital II Ltd	19,752	7%	14,501	6%
Comgest Growth Emerging Markets	-	-	7,935	3%
Generation Asia Fund	11,304	4%	8,722	5%
Heronbridge UK Equity	-	-	11,097	5%
Lindsell Train Global Equity Strategy	13,154	5%	-	-
Maj Global Value	19,296	7%	15,628	7%
Naya Coldwater Fund	15,222	5%	-	-
Nedgroup Global Emerging Markets Equity Fund	9,228	3%	-	-
Northern Trust Emerging Markets Custom ESG Index	14,364	4%	11,493	5%
Northern Trust World Equity Index	61,411	22%	52,721	23%
Ownership Capital Global Equity Investment Strategy	12,735	5%	-	-
Veritas Global Focus Fund	25,385	9%	21,394	9%
	227,847	80%	189,682	82%
Diversifier Funds	2021	Share of Total	2020	Share of Total
	£'000		£'000	
AQR Style Premia Fund	-	-	2,172	1%
Barings Global Senior Secured Loan	11,130	4%	9,820	4%
BlueCrest AllBlue Ltd	51	-	51	-
GMO Systematic Global Macro Fund	8,404	3%	8,121	3%
Newtons Dynamic Bond Fund	8,984	3%	8,726	4%
PIMCO Income Fund	8,043	3%	-	-
	36,612	13%	28,890	12%
Inflation Sensitive Funds	2021	Share of Total	2020	Share of Total
	£'000		£'000	
Charities Property Fund	14,071	5%	12,896	6%
Legal & General Global Inflation Linked Bond Index Fund	5,061	2%	-	-
	19,132	7%	12,896	6%
Total	283,591	100%	231,468	100%

8. Debtors	2021 £'000 Group	2021 £'000 Foundation	2020 £'000 Group	2020 £'000 Foundation
Other Debtors	663	663	782	782
Onerous Lease	500	500	-	-
Intercompany	-	39	-	39
Prepayments and accrued income	5,569	181	6,285	585
	6,732	1,383	7,067	1,406

The Onerous lease balance relates to £500k due from the lease assignee in instalments commencing in January 2022. £333k of this debt is repayable after more than one year from 30 June 2021. See note 18 for more information regarding the onerous lease.

9. Current Asset Investments Group and Foundation

	2021 £'000	2020 £'000
Cash and Cash Deposits	5,727	4,747
Short-dated Bond Portfolio	4,721	4,792
	10,448	9,539

Losses on the short-dated bond portfolio in the year were £68k (2020: losses £43k).

10. Creditors due within one Year

	2021 £'000 Group	2021 £'000 Foundation	2020 £'000 Group	2020 £'000 Foundation
Grants Payable	6,890	5,802	4,821	4,821
Other Creditors	342	327	173	173
Income & Social Security	37	34	36	36
Accruals	326	297	486	458
Onerous Lease	-	-	10	10
	7,595	6,460	5,526	5,498

11. Creditors due after more than one year

	2021 £'000 Group	2021 £'000 Foundation	2020 £'000 Group	2020 £'000 Foundation
Grants payable	5,111	3,172	3,474	3,474

12. Analysis of net assets between funds

Group

	Unrestricted	Restricted	2021	2020
	Funds	Funds	2021	2020
	£'000	£'000	£'000	£'000
Fixed assets	289,946	-	289,946	246,665
Current assets	14,836	5,556	20,392	17,140
Liabilities	(7,595)	-	(7,595)	(5,526)
Liabilities >1 year	(7,958)	-	(7,958)	(6,391)
	289,229	5,556	294,785	251,888

Foundation

	Unrestricted	Restricted	2021	2020
	Funds	Funds	2021	2020
	£'000	£'000	£'000	£'000
Fixed assets	289,946	-	289,946	246,665
Current assets	11,762	94	11,856	10,970
Liabilities	(6,460)	-	(6,460)	(5,498)
Liabilities >1 year	(6,019)	-	(6,019)	(6,391)
	289,229	94	289,323	245,746

13. Funds

Movements in funds

Group

	At 1.7.20 £'000	Movement in funds £'000	At 30.6.21 £'000
General funds	248,595	43,481	292,076
Funds excluding pension liability	248,595	43,481	292,076
Unfunded pension liability	(2,917)	70	(2,847)
	245,678	43,551	289,229
Restricted funds	6,210	(654)	5,556
Total funds	251,888	42,897	294,785

Movement in funds Foundation

	At 1.7.20 £'000	Movement in funds £'000	At 30.6.21 £'000
General funds	248,594	43,482	292,076
Funds excluding pension liability	248,594	43,482	292,076
Unfunded pension liability	(2,917)	70	(2,847)
	245,677	43,552	289,229
Restricted funds	69	25	94
Total funds	245,746	43,577	289,323

Restricted Funds

	At 1.7.20 £'000	Income £'000	Expenditure £'000	At 30.6.21 £'000
Foundation				
Justice First Fellowship				
Linklaters LLP	-	13	13	-
Allen & Overy LLP		20	20	-
BBC Children in Need	69	528	503	94
	69	561	536	94
Justice Collaborations				
Justice Together Initiative	6,141	2,675	3,354	5,462
Less: grant awarded by parent to subsidiary	-	(500)	(500)	-
Consolidated Group total	6,210	2,736	3,390	5,556

Justice First Fellowship

Information on the Justice First Fellowship is included in the report of the Governors on page 5. The majority of the funders of this programme have agreed to fund a specific host or hosts in a given year.

Justice Collaborations

The grants awarded to Justice Collaborations are all contributions to the Justice Together programme. All cover a period of between one and five years and, with the exception of the grant from AB Charitable Trust, have been recognised in full in the year of award. The AB charitable Trust award is for a total of £375k but as it is subject to an annual review, only £125k is recognised in each year.

14. Pension (Liability)/Asset

Group and Foundation

The Foundation operates a funded defined benefit contributory Pension Scheme providing based on members' final pensionable salary at retirement, death or leaving service. The Scheme was closed to new members during 2019. It has been replaced by contributions to the NEST scheme for new staff members. No staff of the subsidiary are members of the defined benefit scheme.

The Scheme is a separately constituted trust with member nominated Trustees and Foundation appointed Trustees. Under the Trust Deed the employer decides the benefit structure and the Trustees, on the advice of the Scheme Actuary, decide the required funding rate.

The assets of the Scheme, including purchased annuities, are held separately from those of the Foundation.

This scheme is currently in surplus as calculated in accordance with the FRS102 valuation basis however the Governors consider that the Surplus cannot currently or in the foreseeable future be recovered against future service costs or by future refund and is therefore excluded from the Balance Sheet.

During the year, the Foundation paid Pension and Life Assurance Contributions to the Scheme of £168k (2020: £183k) comprising normal contributions of £168k (2020: £183k) and special payments of £nil (2020: £nil). Contributions totalling £nil (2020: £nil) were prepaid at the year end and contributions of £14k for the month of June 2021 were due and paid shortly after the year end (June 2020: £14k).

The Foundation maintains responsibility for a legacy unfunded Pension which is currently in payment. The Pension Liability shown on the Balance Sheet relates to this pension.

The principal assumptions used for the FRS 102 valuation were as follows:

	2021	2020
	%	%
Discount rate	1.95	1.6
Future increase in RPI	3.2	2.8
Future increase in CPI	2.2	1.8
Future increase in salary	2.5	2.5
Retail price Index pension increases		
- max 5%	3.1	2.75
- max 2.5%	2.2	2.05
Future rate of pension increases in deferment	2.2	1.8

It has been assumed that members reaching normal retirement date will exchange 67% of the maximum allowable amount of their pension for cash at retirement. This is based on the post 'A-day' definition of maximum cash.

Mortality assumptions used are in line with 100% of the PxA08 tables based on Members' year of birth, improving in line with CMI 2020 projections with a 1.5% p.a. (1.0%) p.a. long-term trend for males (females).

Average expected future life at age 65:

	1 July 2021	1 July 2020
Male currently aged 65	23.1	23.1
Female currently aged 65	25.0	24.9
Male currently aged 45	24.7	24.7
Female currently aged 45	26.2	26.1

The Assets in the Scheme are:

	2021 £'000	2021 £'000	2020 £'000	2020 £'000
Funded Scheme				
Corporate Bonds and Gilts	159,593		119,980	
Asset Backed Credit	9,973		9,768	
Private Credit	7,303		10,433	
Purchased Annuities	70,783		74,834	
Cash	3,054		55,562	
Total Market Value of Assets	250,706		270,577	
Actuarial value of liabilities	(205,265)		(207,291)	
Net surplus in the funded Scheme		45,441		63,286
Unfunded Pension liability				
Actuarial value of liabilities	(2,847)		(2,917)	
Net deficit in the funded Scheme		(2,847)		(2,917)
Net surplus in the Scheme (funded and unfunded)		42,594		60,369
Less: Irrecoverable pension scheme surplus		(45,441)		(63,286)
Net unfunded Pension liability		(2,847)		(2,917)

The total net surplus of the funded scheme pension liabilities at 30 June 2021 on the FRS 102 basis was £43 million, all of which is considered irrecoverable. The restriction represents the surplus in the funded Scheme which the Governors consider cannot currently be recovered against future service costs or by future refund and is therefore excluded from the Balance Sheet.

The movement in the restricted amount has been charged to the Statement of Financial Activities under the heading other resources expended.

Assets are valued at the bid value. FRS 102 regulations require the expected rate of return on assets to be based on the Discount Rate. The liabilities are valued using a market rate derived from high quality corporate bonds and do not depend upon the assets in which the pension is invested.

The actual return on the Scheme assets in the year was (5.5) % (2020: 14.3%).

Sensitivity of Assumptions

	2021 £million	2020 £million
A 0.5% reduction in discount rate	(16.6)	(16.1)
A 0.5% increase in price inflation	8.8	(7.4)
A one-year increase in average age of member on death	(7.8)	(7.3)
Commutation increases to 100%	(3.1)	(4.5)

The above sensitivities show the impact of various changes on the net pension surplus/deficit.

Risk

The Trustees, with the support of the Governors, have continued to take four main steps to reduce risk:

- i. Purchased annuities for pensions in payment when overall market conditions have been appropriate to do so.
- ii. Followed a liability driven investment policy
- iii. Hedged against interest rate and inflation fluctuations.
- iv. Do not hold any equities.

Analysis of the amount charged to Expenditure

	2021 £'000	2020 £'000
Current service cost	217	183
Other costs	1,039	432
Past service cost	70	-
Total Operating charge	1,326	615
Expected return on Scheme assets	(4,302)	(5,404)
Restriction on charge relating to funded pension scheme liability	(323)	644
Interest on pension liabilities	3,375	4,221
Net return	(1,250)	(539)
Total	76	76

The past service cost value of £70k, related to the additional cost of equalising Guaranteed Minimum Pension benefits provided by the Scheme, is the result of the revised assumptions shown above. This is in addition to the £553k recognised in 2019. This additional cost is fully allowed for in the scheme's liabilities.

Analysis of amount recognised in the Statement of Financial Activities as actuarial gains and losses

	2021 £'000	2020 £'000
Actual return less expected return on Scheme assets	(17,620)	28,978
Experience loss arising on the liabilities	1,760	(951)
Changes in assumptions underlying the present value of liabilities	(1,861)	(22,076)
Actuarial gains before restriction	(17,721)	5,951
Restriction of negative movement on pension scheme asset	17,659	(6,180)
Actuarial gains/(losses)	(62)	(229)
Cumulative amounts recognised as actuarial losses	(41,718)	(41,503)

Movement in liabilities during the Year

	2021 £'000	2020 £'000
Liabilities at the beginning of the year (funded Scheme and unfunded arrangements)	210,208	187,612
Movement in the year:		
Current accrual cost	248	216
Interest cost	3,375	4,221
Past service cost	70	-
Loss on changes in assumptions	1,861	22,076
Experience (gain)/loss on liabilities	(1,870)	951
Experience change in secured pensioner value	(3,235)	(3,210)
Benefits paid	(2,545)	(1,658)
Liabilities at the end of the year (funded Scheme and unfunded arrangements)	208,112	210,208

Liabilities at the year-end included £2,847k (2020: £2,917k) in respect of unfunded arrangements outside the Scheme. £98k was paid in respect of this arrangement during the year.

Movement in Scheme assets during the Year

	2021 £'000	2020 £'000
Scheme assets at the beginning of the year	270,577	241,118
Movement in the year:		
Expected return on Scheme assets	4,302	5,404
Actuarial (loss)/gain	(17,620)	29,081
Death in service insurance premiums paid	(14)	(15)
Expenses paid by Scheme	(1,025)	(417)
Experience change in secured pensioner value	(3,235)	(3,210)
Employer contributions	168	178
Benefits paid directly from Scheme assets other than annuities	(2,447)	(1,562)
Scheme assets at the end of the year	<u>250,706</u>	<u>270,577</u>

History of experience Gains and Losses

	2021 £'000	2020 £'000	2019 £'000	2018 £'000	2017 £'000
Scheme assets	250,706	270,577	241,118	233,634	232,064
Pension liabilities: funded scheme and unfunded arrangements	(208,112)	(207,291)	(187,612)	(178,192)	(181,542)
Net surplus/(deficit): funded Scheme and unfunded arrangements	42,594	63,206	53,506	55,442	50,522
Experience adjustments on Scheme assets	(17,620)	29,081	11,632	1,854	9,885
Experience adjustments on Scheme liabilities	1,760	(951)	(1,819)	(139)	(4890)

Expected contributions payable by the Foundation to the Scheme for the year to 30th June 2022 are £26k. No special payments are planned due to the surplus of £43 million in funded Scheme assets at 30th June 2021.

The lower level of contributions expected in the year to 30 June 2022 is due to the scheme closing to accrual from 31 August 2021.

15. Operating Lease Commitments

Group and Foundation

Total minimum lease payments due to be made under non-cancellable operating leases:

	2021	2020
	£'000	£'000
Not later than 1 year	68	103
Two to five years	35	85
More than five years	-	-
	103	188

16. Grants

Foundation

The following grants were awarded in the year ended 30 June 2021:

	£'000s	No
Fairer systems		
Equally Ours (Formerly Equality and Diversity Forum)	110	
Public Law Project	393	
Children's Law Centre (Northern Ireland)	181	
APPEAL	30	
Scottish Women's Aid	113	
Wales Governance Centre, Cardiff University	230	
	1,057	6

Smarter Justice

Economic & Social Research Council (ESRC)	135	
The Bureau of Investigative Journalism	32	
	167	2

Stronger sector

AdviceUK	26	
Lasa Charity UK Limited	150	
SafeLives	230	
Law Centres Network	365	
Shelter Scotland	196	
Legal Action Group (LAG)	50	
The Access to Justice Foundation	500	
Anti Trafficking and Labour Exploitation Unit (ATLEU) Limited	214	
London Legal Support Trust	79	
Right to Remain	67	
Asylum Support Appeals Project (ASAP)	136	
The National Association of Citizens Advice Bureaux, trading as Citizens Advice	250	
Justice Collaborations	500	

Justice First Fellowship (18 new awards)	1,783	
	4,546	31
Total grants awarded in the year	5,770	
Extensions to existing grants	383	
Total	6,153	39

The following organisations were awarded grants to host fellows under the justice first fellowship programme:

Clan Childlaw (Community Law Advice Network)	Luton Law Centre
Shelter The National Campaign for Homeless People Ltd	Centre for Women's Justice
South Wales Law Centre Ltd (The Speakeasy Law Centre)	Vauxhall Community Law & Information Centre
North East Law Centre	Tower Hamlets Law Centre
Bristol Law Centre (Formerly Avon and Bristol Law Centre)	Howard League for Penal Reform
Shelter Scotland	JustRight Scotland (JRS)
APPEAL	Just For Kids Law
Anti Trafficking and Labour Exploitation Unit (ATLEU) Limited	Housing Rights
Law Centre NI	Community Law Partnership Limited
Suffolk Law Centre	Bhatt Murphy Limited
Hopkin Murray Beskine	

Grants awarded by Justice Collaborations:

	£000s	No.
Advice and Representation		
North East Law Centre	600	
Greater Manchester Immigration Aid Unit	486	
Scottish Refugee Centre	200	
JustRight Scotland	200	
Settled	264	
	1,750	5
Influencing		
Migrant Centre Northern Ireland	120	
Reunite Families UK	90	
Rights of Women	195	
Citizens UK	165	
Rainbow Migration	200	
Hibiscus Initiatives	150	
Institute for Public Policy Research	242	
Women for Refugee Women	150	
	1,312	8
TOTAL	3,062	13

17. Related party transactions

Grantee	Trustee/Key management	Relationship	Grant awarded in the year ended 30.6.20 £000s	Grant awarded in the year ended 30.6.21 £'000s	Balance outstanding at 30.6.21 £'000s
Bingham Centre for the rule of law	Guy Beringer	Co-Chair of Bingham Centre	43	-	-
British and Irish Legal Information Institute (BAILLI)	Guy Beringer	Trustee of BAILLI	-		5
Public Law Project	Alison Pickup	Legal Director	128	393	489
			171	393	494

None of the above Trustees took part in any discussions or decisions regarding a grant to a party to whom they are related.

Justice Collaborations

Guy Beringer, Tim Dutton and Alison Pickup were Trustees of both The Legal Education Foundation and its wholly owned subsidiary, Justice Collaborations, during the year. The Chief Executive of The Legal Education Foundation is also a Trustee of Justice Collaborations. During the year the Foundation awarded and paid in full a grant to Justice Collaborations of £500k. (2020: £nil).

Jake Lee, a member of the senior management of Justice Collaborations and employee of The Legal Education Foundation is also an employee of Unbound Philanthropy. Unbound Philanthropy awarded a grant of £300k to Justice Collaborations, and paid it in full, in the period ended 30 June 2020. No further grants were awarded by Unbound Philanthropy in 2021.

During the year, £139k of costs (2020: £36k) were recharged from The Legal Education Foundation to Justice Collaborations. There was a balance due to the Foundation of £50k at 30 June 2021 (30 June 2020: £36k).

18. Contingent Assets and Contingent liabilities

Group and Foundation

Onerous Lease

A contingent liability remains for the Foundation if the assignee of the lease is unable to meet any liabilities that fall due until the end of the lease in March 2028.

Due to the impact of COVID on the assignee's business the landlord agreed to defer two quarters rent and an agreement was also reached under which the Foundation agreed to pay the rent due under the lease for the year 2021 on behalf of the assignee. The assignee has agreed to repay the Foundation in equal instalments over the 18 months from January 2022. The £500k paid by the Foundation to 30 June 2021 is included in debtors (see Note 8).

The Foundation continues to monitor the situation and at this time considers that a provision is not required.

19. Subsidiary Undertakings

Justice Collaborations (registered charity number: 1187441; company registration number: 12328192)

Justice Collaborations was established in 2019 as a registered charity and a company limited by guarantee. It is registered in England and Wales and is a wholly owned subsidiary of The Legal Education Foundation. The Legal Education Foundation is the sole member of Justice Collaborations and the liability of the member is limited to £1.

20. Reconciliation of consolidated net expenditure to net cash outflow from operating activities

	2021	2020
	£000s	£000s
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(5,735)	2,337
Adjustments for:		
Depreciation charges	-	-
Dividends and interest from fixed asset and current asset investments	(2,962)	(3,801)
Increase/(decrease) in provisions	(70)	209
(Increase)/Decrease in debtors	335	(3,790)
Increase/(decrease) in creditors	3,705	(1,597)
Difference between pension cost charged and contributions paid	(62)	229
Net cash provided by (used in) operating activities	(4,789)	(6,413)
 Analysis of cash and cash equivalents:		
Cash at bank and in hand	3,212	534
Current Asset Investments	5,727	4,747
Total cash and cash equivalents	8,939	5,281

21. Comparative Statements of Financial Activities

Consolidated Statement of Financial Activities for the Year Ended 30 June 2020

	Note	2020 Unrestricted £'000	2020 Restricted £'000	2020 Total £'000
Incoming from:				
Investments	2	3,278	-	3,278
Donations and Legacies	2	-	6,645	6,645
Other	2	375	-	375
Total Incoming Resources		3,653	6,645	10,298
Expenditure on:				
Raising Funds (investment management costs)	5	160	-	160
Charitable activities	5	6,520	776	7,296
Other	5	47	-	47
Total	5	6,727	776	7,503
Net (expenditure)/income before investment gains & losses		(3,074)	5,869	2,795
Net (Losses)/Gains on Investment	7,9	(7,190)	-	(7,190)
Net Income/(expenditure)		(10,264)	5,869	(4,395)
Other recognised Gains and Losses:				
Actuarial Gain on defined benefit Pension Scheme	14	5,951	-	5,951
Restriction of movement on Pension Scheme Asset	14	(6,180)	-	(6,180)
Net movement in Funds		(10,493)	5,869	(4,624)
Reconciliation of Funds				
Total Funds brought forward	13	256,171	341	256,512
		245,678	6,210	251,888

Statement of Financial Activities of the Individual parent charity for the Year Ended 30 June 2020

	Note	2020 Unrestricted £'000	2020 Restricted £'000	2020 Total £'000
Incoming from:				
Investments	2	3,278	-	3,278
Donations and Legacies	2	-	395	395
Other	2	411	-	411
Total Incoming Resources		3,689	395	4,084
Expenditure on:				
Raising Funds (investment management costs)	5	160	-	160
Charitable activities	5	6,557	667	7,224
Other	5	47	-	47
Total	5	6,764	667	7,431
Net (expenditure)/income before investment gains & losses		(3,075)	(272)	(3,347)
Net (Losses)/Gains on Investment	7,9	(7,190)	-	(7,190)
Net Income/(expenditure)		(10,265)	(272)	(10,537)
Other recognised Gains and Losses:				
Actuarial Gain on defined benefit Pension Scheme	14	5,951	-	5,951
Restriction of movement on Pension Scheme Asset	14	(6,180)	-	(6,180)
Net movement in Funds		(10,494)	(272)	(10,766)
Reconciliation of Funds				
Total Funds brought forward	13	256,171	341	256,512
	13	245,677	69	245,746

22. Comparative statement of Analysis of net assets between funds**Group**

	Unrestricted	Restricted	
	Funds	Funds	2020
	£'000	£'000	£'000
Fixed assets	246,665	-	246,665
Current assets	10,217	6,923	17,140
Liabilities	(4,813)	(713)	(5,526)
Liabilities >1 year	(6,391)	-	(6,391)
	245,678	6,210	251,888

Foundation

	Unrestricted	Restricted	
	Funds	Funds	2020
	£'000	£'000	£'000
Fixed assets	246,665	-	246,665
Current assets	10,188	782	10,970
Liabilities	(4,785)	(713)	(5,498)
Liabilities >1 year	(6,391)	-	(6,391)
	245,677	69	245,746

23. Comparative statement of movement in funds**Group**

	At	Movement	At
	1.7.19	in funds	30.6.20
	£'000	£'000	£'000
General funds	258,879	(10,284)	248,595
Funds excluding pension liability	258,879	(10,284)	248,595
Unfunded pension liability	(2,708)	(209)	(2,917)
	256,171	(10,493)	245,678
Restricted funds	341	5,869	6,210
Total funds	256,512	(4,624)	251,888

Foundation

	At 1.7.19 £'000	Movement in funds £'000	At 30.6.20 £'000
General funds	258,879	(10,285)	248,594
Funds excluding pension liability	258,879	(10,285)	248,594
Unfunded pension liability	(2,708)	(209)	(2,917)
	256,171	(10,494)	245,677
Restricted funds	341	(272)	69
Total funds	256,512	(10,766)	245,746