

Charity registration number NIC101148

Company registration number NI033998 (Northern Ireland)

CHILDREN'S LAW CENTRE (NORTHERN IRELAND)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

CHILDREN'S LAW CENTRE (NORTHERN IRELAND)

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Ms A Toal Ms A Stewart Mr D Farrell Mr J Finnegan Ms S Stewart Ms T Canavan Mr B D Moss	(Appointed 8 December 2022)
Secretary	Ms P Kelly	
Charity number	NIC101148	
Company number	NI033998	
Principal address	Rights House 127-131 Ormeau Road Belfast BT7 1SH	
Registered office	Rights House 127-131 Ormeau Road Belfast BT7 1SH	
Auditor	GMcG BELFAST Chartered Accountants & Statutory Auditor Alfred House 19 Alfred Street Belfast BT2 8EQ	
Bankers	Ulster Bank Limited 365/369 Ormeau Road Belfast BT7 3GP	
Solicitors	Edwards & Co 28 Hill Street Belfast BT1 2LA	

CHILDREN'S LAW CENTRE (NORTHERN IRELAND)

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CHILDREN'S LAW CENTRE (NORTHERN IRELAND)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2023

The trustees present their annual report and financial statements for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The Children's Law Centre (CLC) was established to help children or young people in need and to promote the human rights of children and young people. CLC provides information, advice, advocacy, assistance and representation for children and young people, their parents and carers and others working with and on behalf of children and young people. We raise public awareness of children and young people's rights and provide training to children, parents and carers and others working with and on behalf of children and young people. CLC give a voice to children by facilitating and supporting a children and young person's advisory and peer advocacy group, youth@clc. In partnership with youth@clc we raise children and young people's rights with duty bearers.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

The environment in which Children's Law Centre operated in 2022-23 has been particularly challenging. As we emerged from Covid, the Centre continued to deal with multiple issues of denial of children's rights as a result of actions taken by duty holders in response to the pandemic. The situation was further aggravated by the ongoing impact of Brexit, the socio-economic crisis resulting in cuts to children's services and the absence of a devolved administration in this jurisdiction.

The NI Assembly was dissolved in February 2022 and as the year progressed the dissolution would begin to have serious adverse impacts on decision-making, access to services and funding. This was exacerbated by the war in Ukraine and the autumn budget which resulted in interest rises, energy rises and a cost of living crisis. Against this backdrop CLC has experienced an increase in demand for our services and the complexity of the case work presenting is unprecedented. In the absence of a willingness or inability on the part of duty bearers to resolve cases, we increasingly were required to issue proceedings to secure effective remedies for our clients.

Unsurprisingly given the scale of need, visitors to the REE Rights Responder chatbot more than doubled from the previous year with 36,617 sessions by 31,226 users getting direct access to legal information. Demand for advice also continued to rise. CHALKY, CLC's Freephone Advice Line dealt with 2,836 issues, with many, given the growing complexity of queries, requiring more detailed advice and/or representation. Whilst the number of new judicial reviews had decreased from the 'Covid-high' number in the previous two years, they are still much higher than the pre-Covid norm. We issued proceedings in nine new judicial reviews and continued to work on eleven that had commenced during 2021-22. This significant number again reflects the complexity of the issues we are dealing with.

With a new Policy and Public Affairs Manager in place, drawing on our case work, we have been working to improve legislation, policy and practice for the benefit of all children in the jurisdiction. This included working in partnership with the Committee on the Administration of Justice, Amnesty International and Include Youth on the use of spit and bite hoods on children and strip searching of children and young people. In response to this work, the Independent Human Rights Advisor to the NI Policing Board undertook a Human Rights Review of the Strip Searching of Children and Young People in Custody with recommendations published in June 2023. The Policing Board have also committed to undertake a human rights review of policing and children and young people.

In preparation for the NI Assembly elections in May 2022 we developed our 'Close the Gap' publication to highlight our key priorities to improve the lives of children in NI. Despite the ongoing suspension of the Assembly we hosted a number of meetings with MLAs across the political spectrum and were encouraged by the positive response.

CHILDREN'S LAW CENTRE (NORTHERN IRELAND)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

We worked with Include Youth, NIACRO, VOYPIC, QUB Centre for Children's Rights and the University of Nottingham to highlight the continuing failure to implement the recommendations of the Youth Justice Review and in November co-hosted a conference held in Queen's University on the Minimum Age of Criminal Responsibility. In response, in January the Department of Justice launched a consultation on whether to raise the Minimum Age of Criminal Responsibility; we await the outcome of this consultation.

We undertook extensive stakeholder engagement across the voluntary and children's sector and academia to inform three substantial NGO reports to the United Nations Committee on the Rights of the Child evidencing how rights and protections for children in Northern Ireland have regressed post-Brexit, post-Covid and as a result of the impacts of the economic crisis and continuing inertia with local government. Our Stakeholder Report was endorsed by 50 organisations and individual representatives before submission to the UNCRC in December 2022. We are grateful to Dr Deena Haydon for her work on compiling these reports.

In preparing these reports we worked in partnership with youth@clc, our panel of young people who advise and inform on issues impacting on children and young people. With the financial support of the Paul Hamlyn Foundation, we were able to bring young people from youth@clc, Include Youth and VOYPIC to Geneva to give evidence to the UN Committee on the Rights of the Child in February 2023 as part of the pre-sessional hearings in advance of the UK Government examination which was scheduled for May 2023. The outcome from this work and in particular the Committee's Concluding Observations, will help shape CLC's work in the future.

We worked with South Tyrone Empowerment Project (STEP) on two submissions to the Council of Europe Framework Convention for the Protection of National Minorities which informed our ongoing engagement with duty bearers, human rights institutions and politicians on Asylum Seeker Children in Contingency Accommodation. As the year progressed we started to receive direct contacts from families living in contingency accommodation in relation to living conditions and their impacts on children who have a range of disabilities and learning needs, as well as being trauma-experienced. Our advice and legal teams are now providing legal advice and assistance to a growing number of children in contingency accommodation and we continue to raise the issue with duty holders.

After protracted negotiations in two cases, the Education Authority agreed to High Court Declarations that it had breached the children's rights to education under Article 2 of Protocol 1 of the European Convention on Human Rights (ECHR) for reasons related to a child's disability under Article 14 ECHR, non-discrimination. In one of these cases they also agreed to Declarations that the right to provision under a statement of SEN under Article 16 of the Education (NI) Order 1996 had been denied and that the right to education "other than at school", under Article 86 of the Education (NI) Order 1996, had been breached when a child was unable to attend school because of illness.

The political vacuum curtailed CLC's ability to effect policy and legislative changes to address the worrying and systemic diminution in the delivery of children's rights. This is a perfect storm: duty bearers are increasingly failing to deliver children's rights at a time when the opportunities to effect systemic change is limited. In these circumstances strategic litigation is an important tool to effect individual and societal access to children's rights. With no restoration of the NI Assembly during the year and the huge and growing impact of the economic crisis on the restoration of pre-Covid service, CLC will continue to utilise strategic litigation and other alternative strategies to challenge the diminution of children's rights in Northern Ireland.

We celebrated our 25th anniversary in September 2022. This aligned to welcome funding from the Paul Hamlyn Foundation which has enabled us to comprehensively review and further improve the organisation and our governance in preparation for the next 25 years. Work commenced on the development of a new case management database that will support management of information and monitoring of advice and case outcomes. We also commenced planning for the return of training services from CLC which had ended as a result of the Pandemic. As part of our Governance review we updated our Articles of Association, continued to support our Trustees through training opportunities and recruited a new Trustee to the Board in December. We also reviewed and updated internal policies and procedures and commenced a salary and benefits benchmarking exercise, and continued with wellbeing interventions for staff to ensure CLC remains competitive within the employment market. In the final quarter of the year we successfully completed the 3-year accreditation for the Lexcel quality standard underpinning our legal case management and client support systems.

CHILDREN'S LAW CENTRE (NORTHERN IRELAND)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Financial review

The results for the year are set out in detail on pages 12 to 33. The Centre returned net deficit of £100,439 (2022 – net surplus of £146,400) of which £160,894 related to a net deficit in restricted funds and £60,455 related to a net increase in unrestricted funds, of which £44,835 has been transferred to designated funds leaving a net increase of unrestricted funds of £15,620.

The increase in unrestricted funds includes exceptional movement in pension provision income of £613 (2022 - £829).

At 31 March 2023, the total funds of the charity amounted to £849,511, comprising restricted funds of £472,439 and unrestricted funds of £377,072. The unrestricted fund balance includes unrestricted general funds of £341,826, designated funds of £55,000 and a deficit on the pension reserve of £19,754. The vast majority of income received by the Centre is earmarked by the donor for specific purposes (restricted income). Only small amounts are received as free monies (unrestricted income) which can be allocated according to organisational needs, including core running costs.

The unrestricted fund is considered to be essential to the Centre as restricted funds are not always sufficient to meet all costs. Furthermore, in the current economic environment, the level of funding may fluctuate from one year to the next. The unrestricted fund will therefore be essential to finance working capital, continue the charity's activities in the short term and fulfil its legal responsibilities to employees and creditors for a three month period. Current running costs for the charity are £75,000 per month and the level of free reserves at the year end, excluding fixed assets and designated funds, was £247,172. The charity has significant funds secured for the forthcoming year and budgets have been prepared that show that the charity has sufficient resources to continue in operational existence for the foreseeable future.

Restricted funds represent funds which are to be used in accordance with specific restrictions imposed by donors. The balance of restricted funds at 31 March 2023 was £472,439.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Plans for future periods

One of the long-term objectives for the organisation remains the securing of mainstream funding for the Centre alongside diversifying and growing funding streams. Acting on financial and legal advice, the Centre is also committed to working to build unrestricted financial reserves equivalent to six months with a minimum of at least three months' running costs to ensure a financial cushion in the event of future funding difficulties. The building of such reserves is viewed by the charity as prudent financial management, in the best interest of the Centre and necessary to honour the Centre's legal and financial commitments.

CHILDREN'S LAW CENTRE (NORTHERN IRELAND)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Structure, governance and management

The Centre is a charitable organisation and a company limited by guarantee governed by its Articles of Association.

The Centre is a membership organisation which is governed by a Board of Trustees (which is also the Board of Directors) elected for one year at the organisation's AGM. According to the Centre's constitution, additional Board members can be co-opted. The Board elect a Chair, Vice Chair, Treasurer and Secretary. Training is provided as required. All Centre staff are answerable to the Board through the Centre Director, Ms Patricia Kelly, who is responsible for the day to day management of the Centre. The Board of Trustees ensures the good governance of the organisation by setting its strategic objectives and policy direction through the Centre's three year strategic plan and monitoring progress on this through the annual operational planning process.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Ms Y Campbell (Resigned 8 December 2022)

Ms A Toal

Ms A Stewart

Mr D Farrell

Mr J Finnegan

Ms M Spence

(Resigned 8 December 2022)

Ms S Stewart

Ms T Canavan

Mr B D Moss

(Appointed 8 December 2022)

Statement of trustees' responsibilities

The trustees, who are also the directors of Children's Law Centre (Northern Ireland) for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

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

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

CHILDREN'S LAW CENTRE (NORTHERN IRELAND)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

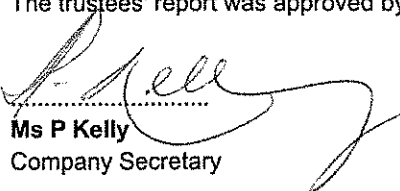
Small Companies Exemption

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.


.....
Ms P Kelly
Company Secretary

Dated:15.Nov.2023

CHILDREN'S LAW CENTRE (NORTHERN IRELAND)

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CHILDREN'S LAW CENTRE (NORTHERN IRELAND)

Opinion

We have audited the financial statements of Children's Law Centre (Northern Ireland) (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows 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 Financial Reporting Standard 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 charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the 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 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.

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CHILDREN'S LAW CENTRE (NORTHERN IRELAND)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CHILDREN'S LAW CENTRE (NORTHERN IRELAND)

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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

CHILDREN'S LAW CENTRE (NORTHERN IRELAND)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CHILDREN'S LAW CENTRE (NORTHERN IRELAND)

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the 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 charitable company 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 our procedures are capable of detecting irregularities, including fraud, is detailed below.

CHILDREN'S LAW CENTRE (NORTHERN IRELAND)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CHILDREN'S LAW CENTRE (NORTHERN IRELAND)

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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing potential risks of material misstatement in respect of irregularities, including fraud and non-compliances with laws and regulations, we considered the following:

- The nature of the industry and sector, control environment and business performance, including the company's remuneration policies for directors, bonus levels and performance targets, if any;
- Results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- Any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
 - Identifying, evaluating and complying with laws and regulations and whether they were aware of any instance of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - The internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- The matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the company for fraud and identified the greatest potential for fraud in revenue recognition. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Companies Act 2006, and local tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

CHILDREN'S LAW CENTRE (NORTHERN IRELAND)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CHILDREN'S LAW CENTRE (NORTHERN IRELAND)

Audit response to risks identified

Our procedures to respond to the risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management concerning actual and potential litigation and claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reading minutes of meetings of those charged with governance and reviewing correspondence with tax authorities; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as they may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

CHILDREN'S LAW CENTRE (NORTHERN IRELAND)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CHILDREN'S LAW CENTRE (NORTHERN IRELAND)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Mr Nigel Moore FGA (Senior Statutory Auditor)
for and on behalf of GMcG BELFAST

15 Nov 23

Chartered Accountants
Statutory Auditor

Chartered Accountants & Statutory
Auditor
Alfred House
19 Alfred Street
Belfast
BT2 8EQ

CHILDREN'S LAW CENTRE (NORTHERN IRELAND)

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2023

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
	Notes						
<u>Income and endowments from:</u>							
Donations and legacies	3	50	-	50	384	-	384
Charitable activities	4	71,715	680,149	751,864	54,154	853,081	907,235
Investments	5	38,404	-	38,404	36,178	-	36,178
Movement in pension provision	6	613	-	613	829	-	829
Total income		<u>110,782</u>	<u>680,149</u>	<u>790,931</u>	<u>91,545</u>	<u>853,081</u>	<u>944,626</u>
<u>Expenditure on:</u>							
Charitable activities	7	<u>50,327</u>	<u>841,043</u>	<u>891,370</u>	<u>43,016</u>	<u>755,210</u>	<u>798,226</u>
Gross transfers between funds		-	-	-	(9,381)	9,381	-
Net income/(expenditure) for the year/							
Net movement in funds		60,455	(160,894)	(100,439)	39,148	107,252	146,400
Fund balances at 1 April 2022		<u>316,617</u>	<u>633,333</u>	<u>949,950</u>	<u>277,469</u>	<u>526,081</u>	<u>803,550</u>
Fund balances at 31 March 2023		<u><u>377,072</u></u>	<u><u>472,439</u></u>	<u><u>849,511</u></u>	<u><u>316,617</u></u>	<u><u>633,333</u></u>	<u><u>949,950</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

CHILDREN'S LAW CENTRE (NORTHERN IRELAND)

BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Intangible assets	12		7,770		31,848
Tangible assets	13		241,194		249,596
Investment properties	14		214,000		214,000
			<u>462,964</u>		<u>495,444</u>
Current assets					
Debtors	15	52,500		145,298	
Cash at bank and in hand		553,265		553,881	
		<u>605,765</u>		<u>699,179</u>	
Creditors: amounts falling due within one year	16	(57,650)		(63,429)	
Net current assets			548,115		635,750
Total assets less current liabilities			1,011,079		1,131,194
Creditors: amounts falling due after more than one year	17		(141,814)		(156,352)
Provisions for liabilities					
Defined benefit pension liability	19	19,754		24,892	
		<u>(19,754)</u>		<u>(24,892)</u>	
Net assets			<u>849,511</u>		<u>949,950</u>

CHILDREN'S LAW CENTRE (NORTHERN IRELAND)


BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2023

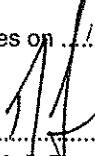
	Notes	2023 £	£	2022 £	£
Income funds					
Restricted funds	21		472,439		633,333
<u>Unrestricted funds</u>					
Designated funds	20	55,000		10,165	
General unrestricted funds		341,826		331,344	
Pension reserve		(19,754)		(24,892)	
			377,072		316,617
			849,511		949,950

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 15 Nov 2023



Ms A Toal
Trustee


Mr D Farrell
Trustee

Company Registration No. NI033998

CHILDREN'S LAW CENTRE (NORTHERN IRELAND)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	28		(21,493)		31,474
Investing activities					
Purchase of intangible assets		-		(5,775)	
Purchase of tangible fixed assets		(2,738)		(3,812)	
Proceeds from disposal of tangible fixed assets		194		1,169	
Investment income received		38,404		36,178	
Net cash generated from investing activities			35,860		27,760
Financing activities					
Repayment of bank loans		(14,983)		(15,424)	
Net cash used in financing activities			(14,983)		(15,424)
Net (decrease)/increase in cash and cash equivalents			(616)		43,810
Cash and cash equivalents at beginning of year			553,881		510,071
Cash and cash equivalents at end of year			553,265		553,881

CHILDREN'S LAW CENTRE (NORTHERN IRELAND)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Charity information

Children's Law Centre (Northern Ireland) is a private company limited by guarantee incorporated in Northern Ireland. The registered office is Rights House, 127-131 Ormeau Road, Belfast, BT7 1SH.

The members of the company are the directors named on page 4. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Rental income is recognised evenly over the period of the tenancy agreement.

CHILDREN'S LAW CENTRE (NORTHERN IRELAND)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the company. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Charitable activities and Governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	33.33% per annum straight line
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1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	2% per annum straight line
Office equipment	25% per annum reducing balance

CHILDREN'S LAW CENTRE (NORTHERN IRELAND)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.8 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.10 Cash and cash equivalents

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

1.11 Financial instruments

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

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

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

Basic financial assets

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

Basic financial liabilities

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

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

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

CHILDREN'S LAW CENTRE (NORTHERN IRELAND)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (Continued)

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

In prior years the Centre contributed to a multi-employer defined benefit pension scheme, NICPS, into which the Centre is committed to making payments of £4,525 per annum to make good prior year deficits. Following the closure of this Scheme on 31 March 2009, the directors confirmed the selection of the Pensions Trust as the provider of the Flexible Retirement Plan (defined contribution scheme) at a contribution rate of 7% from employers and a minimum 5% per employee. Contributions to this Scheme by the Centre have therefore been accounted for by charging costs as payments accrue.

A provision is recognised for the contributions payable that arose from the agreement with NICPS to fund the prior year deficits.

CHILDREN'S LAW CENTRE (NORTHERN IRELAND)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

2 Critical accounting estimates and judgements

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

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

Key sources of estimation uncertainty

Investment Property

Fair value is determined annually and derived from the current market rents and investment property yields for comparable real estate. Valuation involves some estimation uncertainty but is based on periodic advice from independent expert valuers.

Fixed Assets

The annual depreciation charge on fixed assets depends primarily on the estimated lives of each type of asset and estimates of residual values. The directors regularly review these asset lives and change them as necessary to reflect current thinking on remaining lives in light of prospective economic utilisation and physical condition of the assets concerned. Changes in asset lives can have a significant impact on depreciation and amortisation charges for the period. Detail of the useful lives is included in the accounting policies.

Debtors

Short term debtors are measured at transaction price, less any impairment. Impairment of such debtors involves some estimation uncertainty.

Multi-employer Defined Benefit Pension Scheme Liability

The pension scheme liability is in relation to the contributions payable that have arisen from an agreement with a multi-employer plan to fund a deficit and is based on certain assumptions as detailed in note 19.

Restricted and Unrestricted Funds

Judgements are made in relation to allocation of income and expenditure to restricted and unrestricted funds. The directors consider it appropriate to allocate these funds based on interpretation of donations received.

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Donations and gifts	50	384

CHILDREN'S LAW CENTRE (NORTHERN IRELAND)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

4 Charitable activities

	2023 £	2022 £
Performance related grants	683,149	824,081
Membership and training	2,829	3,502
Income from legal work	65,886	47,652
Less: deferred income	-	32,000
	<u>751,864</u>	<u>907,235</u>
Analysis by fund		
Unrestricted funds	71,715	54,154
Restricted funds	680,149	853,081
	<u>751,864</u>	<u>907,235</u>

The Board considers the Charity to have one main Charitable Activity, being the promotion, protection and realisation of children's rights.

5 Investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Rental income	36,926	36,070
Interest receivable	1,478	108
	<u>38,404</u>	<u>36,178</u>

6 Movement in pension provision

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Unwinding of the discount factor (interest expense)	(575)	(281)
Remeasurements - impact of any change in assumptions	1,188	1,110
	<u>613</u>	<u>829</u>

Further information in relation to the pension provision is provided in note 19.

CHILDREN'S LAW CENTRE (NORTHERN IRELAND)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

7 Charitable activities

	2023 £	2022 £
Staff costs	469,942	490,155
Depreciation and impairment	35,024	38,724
Insurance	10,775	9,234
Printing, postage and stationery	7,426	6,464
Telephone	6,764	4,104
Electricity	4,364	1,477
Service charge	10,077	8,093
Cleaning	2,609	1,590
Travel and subsistence	-	698
Young peoples expenses	346	663
Young people training and development	-	121
Information materials	134	142
Subscriptions	622	574
Legal account expenditure	42,613	40,494
Pension scheme management costs	2,441	2,441
Management costs	39,720	28,397
Other charitable expenditure	194	1,169
	<u>633,051</u>	<u>634,540</u>
Share of support costs (see note 8)	253,594	159,186
Share of governance costs (see note 8)	4,725	4,500
	<u>891,370</u>	<u>798,226</u>
Analysis by fund		
Unrestricted funds	50,327	43,016
Restricted funds	841,043	755,210
	<u>891,370</u>	<u>798,226</u>

CHILDREN'S LAW CENTRE (NORTHERN IRELAND)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

8 Support costs

	Support costs £	Governance costs £	2023 £	Support costs £	Governance costs £	2022 £
Staff costs	126,261	-	126,261	79,379	-	79,379
Insurance	1,901	-	1,901	1,630	-	1,630
Printing, postage and stationery	1,459	-	1,459	1,141	-	1,141
Electricity and telephone	1,964	-	1,964	985	-	985
Service charge	2,239	-	2,239	1,709	-	1,709
Repairs and maintenance	11,365	-	11,365	13,300	-	13,300
Professional fees	58,747	-	58,747	39,731	-	39,731
Staff training	1,686	-	1,686	1,172	-	1,172
Sundry expenses	22,060	-	22,060	2,407	-	2,407
Loan interest	8,655	-	8,655	5,691	-	5,691
Irrecoverable VAT	17,257	-	17,257	12,041	-	12,041
Audit fees	-	4,725	4,725	-	4,500	4,500
	<u>253,594</u>	<u>4,725</u>	<u>258,319</u>	<u>159,186</u>	<u>4,500</u>	<u>163,686</u>
Analysed between Charitable activities	<u>253,594</u>	<u>4,725</u>	<u>258,319</u>	<u>159,186</u>	<u>4,500</u>	<u>163,686</u>

Governance costs includes payments to the auditors of £4,725 (2022- £4,500) for audit fees.

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

10 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
	<u>14</u>	<u>15</u>
Employment costs	2023 £	2022 £
Wages and salaries	513,299	494,206
Social security costs	51,700	45,244
Other pension costs	31,204	30,084
	<u>596,203</u>	<u>569,534</u>

CHILDREN'S LAW CENTRE (NORTHERN IRELAND)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

10 Employees (Continued)

Total remuneration payable to key management personnel during the year was £166,251 (2022 - £140,760).

There were no employees whose annual remuneration was more than £60,000.

11 Taxation

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

12 Intangible fixed assets

	Software £
Cost	
At 1 April 2022 and 31 March 2023	83,932
Amortisation and impairment	
At 1 April 2022	52,084
Amortisation charged for the year	24,078
At 31 March 2023	76,162
Carrying amount	
At 31 March 2023	7,770
At 31 March 2022	31,848

13 Tangible fixed assets

	Leasehold land and buildings £	Office equipment £	Total £
Cost			
At 1 April 2022	249,605	43,438	293,043
Additions	-	2,738	2,738
Disposals	-	(501)	(501)
At 31 March 2023	249,605	45,675	295,280
Depreciation and impairment			
At 1 April 2022	23,206	20,241	43,447
Depreciation charged in the year	4,992	5,954	10,946
Eliminated in respect of disposals	-	(307)	(307)
At 31 March 2023	28,198	25,888	54,086
Carrying amount			
At 31 March 2023	221,407	19,787	241,194
At 31 March 2022	226,399	23,197	249,596

CHILDREN'S LAW CENTRE (NORTHERN IRELAND)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

13 Tangible fixed assets (Continued)

Land and buildings of net book value £221,407 are held as security against the company's bank borrowings.

14 Investment property

	2023 £
Fair value	
At 1 April 2022 and 31 March 2023	214,000

The 2023 valuations were made by the directors, on an open market value for existing use basis.

Investment property of net book value £214,000 is held as security against the company's bank borrowings.

15 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	35,643	135,439
Prepayments and accrued income	16,857	9,859
	<u>52,500</u>	<u>145,298</u>

16 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Bank loans	18	14,071	14,516
Other taxation and social security		17,847	29,019
Trade creditors		9,987	6,515
Other creditors		39	-
Accruals		15,706	13,379
		<u>57,650</u>	<u>63,429</u>

17 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
Bank loans	18	141,814	156,352

CHILDREN'S LAW CENTRE (NORTHERN IRELAND)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

18 Loans and overdrafts

	2023 £	2022 £
Bank loans	155,885	170,868
Payable within one year	14,071	14,516
Payable after one year	141,814	156,352
Amounts included above which fall due after five years:		
Payable by instalments	73,848	92,606

Bank loans and overdrafts are secured by a legal charge over the charity's premises.

Bank loans are repayable by monthly instalments of £1,820 until 2031 at an interest rate of 3% per annum over Base Rate.

19 Retirement benefit schemes

Defined contribution schemes

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

The charge to profit or loss in respect of defined contribution schemes was £31,204 (2022 - £30,084).

CHILDREN'S LAW CENTRE (NORTHERN IRELAND)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

19 Retirement benefit schemes (Continued)

Defined benefit schemes

In prior years the Centre contributed to The Pensions Trust Northern Ireland Charities Pension Scheme (the Scheme). The Scheme is a multi-employer defined benefit scheme. The Scheme is funded and was not contracted out of the state scheme.

The Scheme closed to future accrual on 31 March 2009. There is currently no intention to wind-up the Scheme and it continues in paid-up form.

The Pension Trust commissions an actuarial valuation of the Scheme every three years. The main purpose of the valuation is to determine the financial position of the Scheme in order to determine the level of future contributions required so that the Scheme can meet its pension obligations as they fall due.

The actuarial valuation assesses whether the Scheme's assets at the valuation date are likely to be sufficient to pay the pension benefits accrued by members as at the valuation date. Asset values are calculated by reference to market levels. Accrued pension benefits are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

During the accounting period 31 March 2023 the employer paid contributions of £4,525 to cover the deficit payments and scheme management costs.

It is not possible in the normal course of events to identify on a consistent and reasonable basis the share of underlying assets and liabilities belonging to individual participating employers. The Scheme is a multi employer scheme, where the scheme assets are co-mingled for investment purposes, and benefits are paid from total scheme assets.

The last formal completed valuation of the Scheme was performed as at 30 September 2019 by a professionally qualified actuary using the 'projected unit credit' method. The market value of the Scheme's assets at the valuation date was £35.4 million. The valuation revealed a shortfall of assets compared to liabilities of £2.4 million.

The results of the 2019 valuation means a new deficit recovery plan is required to fund the deficit of £2.4 million. This commenced on 1 August 2020 and will run until 29 February 2028.

The Scheme Actuary has prepared an Actuarial Report that provides an approximate update on the funding position of the Scheme as at 30 September 2022. Such a report is required by legislation for years in which a full actuarial valuation is not carried out. The funding update revealed a decrease in the assets of the Scheme to £22.8 million (from £35.9 million at 30 September 2021) and indicated a decrease in the shortfall of assets compared to liabilities of approximately £13.1 million (from £698k at 30 September 2021), equivalent to a past service funding level of 43% (98% at 30 September 2021).

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up. The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Scheme. If the liabilities exceed the assets there is a buy-out debt.

CHILDREN'S LAW CENTRE (NORTHERN IRELAND)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

19 Retirement benefit schemes (Continued)

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

Under FRS 102, where an entity participates in a multi-employer plan, and the entity had entered into an agreement with the multi-employer plan that determines how the entity will fund a deficit, the entity shall recognise a liability for the contributions payable that arise from the agreement and the resulting expense in the Statement of Financial Activities.

Movements in the present value of defined benefit obligations:

	2023 £
Liabilities at 1 April 2022	24,892
Benefits paid	(4,525)
Actuarial gains and losses	(1,188)
Interest cost	575
At 31 March 2023	<u>19,754</u>

The above provision has assumed a discount rate of 5.15% per annum (2022 - 2.56% per annum) and is the equivalent single discount rate which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The Centre now uses The Pensions Trust as the provider of a Flexible Retirement Plan (defined contribution scheme) at a contribution rate of 7% from employers and a minimum 5% per employee. Contributions to this Scheme by the Centre have been accounted for by charging costs as payments accrue and no payments (2022 - £Nil) were outstanding at the year end.

20 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds				
	Balance at 1 April 2021 £	Incoming resources £	Balance at 1 April 2022 £	Transfers £	Balance at 31 March 2023 £
ALB Legal Works Funds	10,165	-	10,165	9,835	20,000
Essential building maintenance	-	-	-	35,000	35,000
	<u>10,165</u>	<u>-</u>	<u>10,165</u>	<u>44,835</u>	<u>55,000</u>

CHILDREN'S LAW CENTRE (NORTHERN IRELAND)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

21

Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2021 £	Movement in funds			Movement in funds			Balance at 31 March 2023 £
		Incoming resources £	Resources expended £	Transfers £	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	
Department of Health	17,190	53,976	(67,470)	-	3,696	53,976	(53,976)	3,696
DOH SPPG	-	223,787	(118,759)	-	105,028	120,146	(197,631)	27,543
Department of Education	2,138	70,000	(70,432)	-	1,706	50,000	(51,244)	462
Atlantic Philanthropies	-	-	(816)	816	-	-	-	-
BBC Children in Need	463	26,666	(23,236)	-	3,893	40,500	(33,833)	10,560
Angel Eyes	-	10,000	(9,686)	-	314	25,000	(21,980)	3,334
Atlantic Philanthropies Capital Project	176,609	-	(3,549)	-	173,060	-	(3,628)	169,432
Esmée Fairbairn	4,877	50,000	(58,237)	7,880	4,520	-	(4,520)	-
Legal Education Foundation	79,917	15,000	(58,479)	-	36,438	72,000	(77,507)	30,931
Paul Hamlyn Foundation	12,000	145,000	(46,045)	-	110,955	150,000	(175,858)	85,097
The National Lotteries Community Fund	108,554	167,950	(176,135)	-	100,369	163,390	(133,346)	130,413
Children's Rights Alliance Research	-	18,702	(3,255)	-	15,447	5,137	(11,472)	9,112
Access to Justice	97,936	72,000	(94,383)	-	75,553	-	(74,004)	1,549
Department for Communities	6,193	-	(3,869)	-	2,324	-	(2,042)	282
The Baring Foundation	19,922	-	(20,573)	651	-	-	-	-
Department of Justice - ARCS	208	-	(208)	-	-	-	-	-
Other grants	74	-	(78)	34	30	-	(2)	28
	526,081	853,081	(755,210)	9,381	633,333	680,149	(841,043)	472,439

CHILDREN'S LAW CENTRE (NORTHERN IRELAND)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

22 Explanatory notes to Children's Law Centre reserve funds

Unrestricted funds

General funds

This fund is expendable at the discretion of the Directors for the general purposes of the charity. In addition, funds may be held in order to finance capital investment and essential working capital.

Transfers from general funds to restricted funds are made to cover the remaining costs incurred for specific projects which have not been met from other restricted monies.

Designated funds

£20,000 has been designated towards ALB Legal Work (previously known as Alpha Law Fund) to facilitate ongoing casework.

£35,000 has been designated to facilitate essential external building maintenance work in line with listed building requirements.

Pension reserve

The pension reserve represents contributions payable under an agreement with NICPS to fund prior year deficits. During the year there was a transfer of £4,525 into the pension reserve from general funds relating to deficit contributions paid in the year.

Restricted Funds

Department of Health

This funding partly covers salary costs for the Centre Director, Head of Legal Services, Head of Administration and Finance Unit and Administrative Assistant / Receptionist posts.

Department of Health Strategic Planning and Performance Group

This funding contract is used to provide an Independent Advice, Support & Mediation Service to children in need and their Parents and Carers acting on their behalf.

Department of Education

This funding is in relation to Special Education Needs and Disability Tribunal (SENDIST) Project inclusive of salary costs for SENDIST Representative and contribution to running costs.

Atlantic Philanthropies / Atlantic Philanthropies - Children's Rights Coalition

This fund relate to the acquisition of a fixed asset in a prior year. Expenditure in the year represents depreciation on the asset.

BBC Children in Need

This funding is to provide advocacy support for vulnerable young people with mental health issues via a grant towards the salary of a Mental Health Adviser and associated running costs.

Angel Eyes NI

This funding is to assist and support Angel Eyes NI with their Equal Eyes Project - to raise awareness of visual impairment and impact on Children and Young People.

CHILDREN'S LAW CENTRE (NORTHERN IRELAND)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

23 Explanatory notes to Children's Law Centre reserve funds (continued)

Atlantic Philanthropies Capital Project

This funding was a grant contribution in a previous year towards the purchase and refurbishment of a building to be occupied by the Children's Law Centre.

Esmée Fairbairn

This grant is to provide core costs to secure the rights of disadvantaged young people in Northern Ireland.

Legal Education Foundation

This grant is to cover the salary and running costs for a Policy Manager.

Paul Hamlyn Foundation

This grant is to support strategic and operational development and growth of the centre. An additional expert support package and funding for young people to attend 2 UNCRC events in year 2022 and 2023.

The National Lotteries Community Fund REE

This grant is to allow the Children's Law Centre to utilise digital technology to continue development and delivery of digital solutions to young people's legal problems - REE Rights Responder.

Children's Rights Alliance

This funding is for collaborative research and consultation work on the rights of children on the island of Ireland.

Access to Justice

This funding covers three projects - solicitor salary and associated costs, CLC operational costs and one month associated costs for Immigration Solicitors work.

Department for Communities

This historic funding was for a project to Develop a Digital Legal Information and Advice Service for Children and Young People. Expenditure in year represents depreciation of asset.

The Baring Foundation

This historic funding was to support collaboration with partner NGOs, undertake impact work and to meet the shortfall in funding for lawyers.

Department of Justice - Assets Recovery Community Scheme

This historic funding is for provision of training, advice and legal support project for young people and staff in the juvenile justice centre.

Other grants

Other grants include the following:

Tesco Charity Trust

This fund relates to the acquisition of a fixed asset in a prior year. Expenditure in the year represents depreciation on the asset.

CHILDREN'S LAW CENTRE (NORTHERN IRELAND)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

24 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 31 March 2023 are represented by:						
Intangible fixed assets	1,570	6,200	7,770	2,562	29,286	31,848
Tangible assets	52,244	188,950	241,194	53,379	196,217	249,596
Investment properties	196,725	17,275	214,000	196,725	17,275	214,000
Current assets/(liabilities)	288,101	260,014	548,115	245,195	390,555	635,750
Long term liabilities	(141,814)	-	(141,814)	(156,352)	-	(156,352)
Provisions and pensions	(19,754)	-	(19,754)	(24,892)	-	(24,892)
	<u>377,072</u>	<u>472,439</u>	<u>849,511</u>	<u>316,617</u>	<u>633,333</u>	<u>949,950</u>

25 Financial commitments, guarantees and contingent liabilities

(i) A portion of grants received may become repayable if the Centre fails to comply with the terms of the letters of offer.

(ii) During the prior year the charity received correspondence from The Pensions Trust in relation to a review the Trustee has undertaken regarding the application of changes to Northern Ireland Charities Pension Scheme benefits. The outcome of the review could give rise to an additional liability of approximately £58k.

During the year further correspondence was received in relation to a potential new item that has come out of the review. It relates to changes in legislation made by the Government to the measure of inflation used for increasing pensions already in payment and how this interacts with members' pensions provided under the Rules. It is anticipated that the Court will provide a ruling at the earliest in Q4 2024. At this stage the amount and likelihood of any additional liability arising from this change is not known.

The Pensions Trust have indicated that it is unlikely that any further liability will arise, therefore no provision for these items has been made in the financial statements.

26 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).

27 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 £	2022 £
Within one year	<u>312</u>	<u>312</u>

CHILDREN'S LAW CENTRE (NORTHERN IRELAND)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

28	Cash generated from operations	2023	2022
		£	£
	(Deficit)/surplus for the year	(100,439)	146,400
	Adjustments for:		
	Investment income recognised in statement of financial activities	(38,404)	(36,178)
	Depreciation and impairment of tangible fixed assets	35,024	38,724
	Difference between pension charge and cash contributions	(5,138)	(5,354)
	Movements in working capital:		
	Decrease/(increase) in debtors	92,798	(67,179)
	(Decrease) in creditors	(5,334)	(12,939)
	(Decrease) in deferred income	-	(32,000)
	Cash (absorbed by)/generated from operations	(21,493)	31,474
29	Analysis of changes in net funds	At 1 April 2022	Cash flowsAt 31 March 2023
		£	£
	Cash at bank and in hand	553,881	(616)
	Loans falling due within one year	(14,516)	445
	Loans falling due after more than one year	(156,352)	14,538
		<u>383,013</u>	<u>14,367</u>
			<u>397,380</u>