

Company Number: 4149673
Charity Number: 1087312

COVENTRY LAW CENTRE LTD

FINANCIAL STATEMENTS

31 MARCH 2014

**COVENTRY LAW CENTRE LTD
(LIMITED BY GUARANTEE)**

Financial Statements for the year ended 31 March 2014

Contents	Pages
Legal and administrative information	1
Trustees' report	2 – 16
Independent auditor's report to the members	17
Statement of financial activities	18
Balance sheet	19
Notes to the financial statements	20 - 30

**COVENTRY LAW CENTRE LTD
(LIMITED BY GUARANTEE)**

**Trustees' Annual Report
for the year ended 31 March 2014**

Legal and administrative information

Trustees	Prof. H Bahra (Chair) R G Hughes Councillor L J Bigham J Jeffrey C Christie K Wilding G Moffatt (appointed 28 May 2014)
Company Secretary and Director	S Bent
Registered Office & Principal Office	Oakwood House St Patrick's Road Entrance Coventry CV1 2HL
Auditor	Chantrey Vellacott DFK LLP Chartered Accountants & Statutory Auditor Cheviot House 53 Sheep Street Northampton NN1 2NE
Bankers	Bank of Scotland 33 Old Broad Street London BX2 1LB
Company Number	4149673
Charity Number	1087312

**COVENTRY LAW CENTRE LTD
(LIMITED BY GUARANTEE)**

**Trustees' Annual Report
for the year ended 31 March 2014**

Structure, Governance and Management

Introduction

Coventry Law Centre Ltd was formed on 29 January 2001, acquiring the assets of Coventry Legal & Income Rights Trust which had been operating since 1976. Coventry Law Centre has continued the work of the Trust in line with its own objects and has maintained its operations from the city centre of Coventry ever since, expanding in recent years to provide some services in Warwickshire.

In 2013, Coventry Law Centre established a specialist legal advice service in Birmingham to begin to fill the gap left by the closure of Birmingham Law Centre. We have combined the expertise, local knowledge and contacts of some staff who were employed by BLC with the organisational strength, management and leadership capability and experience of Coventry Law Centre to create Birmingham Community Law Centre.

We are currently in discussions with the Charity Commission about proposals for Coventry Law Centre to change its objects stated in its memorandum and articles in order to widen its operational base; to change its registered name to a more generic name to more accurately reflect its recent geographical expansion and any future expansion; and to trade under two operating names - Coventry Law Centre in Coventry and Birmingham Community Law Centre in Birmingham. We hope to conclude these discussions in the coming months.

Legal Status

Coventry Law Centre is a company limited by guarantee and a registered charity, and is therefore governed by a Memorandum and Articles of Association. In the event of the company being wound up, its members are required to contribute an amount not exceeding £1.

Governance

The directors of the company are also known as trustees for the purposes of charity law. All trustees give their time voluntarily and received no benefits from the Charity. No trustees claimed expenses during the year.

- *Recruitment and appointment of Trustees*

The Articles of Association state that one third of the trustees should retire by rotation. This means that two trustees must retire each year, after which they can be re-elected at the next Annual General Meeting.

Harinder Bahra and June Jeffrey will retire by rotation, and, being eligible, offer themselves for re-election.

The nature of the work of the charity means it is important to maintain a skill mix amongst the trustees which includes knowledge and understanding of legal advice and representation, as well as an understanding of the issues relating to social exclusion and the specific social welfare needs of the population in the area in which the charity operates.

The charity has been successful in attracting several people with experience in legal advice and representation, as well as representatives from the local authority and trustees with experience of equality issues.

Business skills are also well represented within the trustee body, with trustees experienced in running their own businesses. The organisation has recruited an additional Trustee in May 2014 and is still seeking a further Trustee with a finance or accountancy background to make the number back up to eight.

Potential new trustees are given a 'job description' and person specification for the role, and are invited to submit an application and to attend an interview with the Chair, one other trustee, and the Director.

**COVENTRY LAW CENTRE LTD
(LIMITED BY GUARANTEE)**

**Trustees' Annual Report
for the year ended 31 March 2014**

▪ *Trustee induction and training*

New trustees attend the Centre for a brief introduction to the work of the charity. They are provided with an information pack which covers

- Their obligations as trustees
- Memorandum and Articles of Association
- Previous year's annual report and accounts
- Current year's business plan

Training sessions continue to focus on the work undertaken by the organisation, allowing trustees to get to have more contact with staff and to gain an insight into the issues they face. In addition, where necessary, training takes place as part of the monthly meetings to ensure that issues being discussed are fully understood by trustees.

The Board undertakes an annual self evaluation of its effectiveness. This enables identification of any skill gaps, and of the training needs of the Board. From this, and annual training plan is drawn up. In addition, the effectiveness of working arrangements and information reporting is reviewed, and changes made where necessary.

Organisational structure

Coventry Law Centre has a Board of up to 8 trustees who meet regularly and who are responsible for the strategic direction and policies of the charity. The Company Secretary and Director attends all meetings of the Board but is not a member of it.

Responsibility for the provision of services and for the delivery of the business plan is delegated to the Director. The charity operates within a series of policies which are approved by the trustees and which provide a framework for the day to day running of all aspects of the organisation.

Responsibility for professional conduct and for meeting Solicitors Regulation Authority requirements is delegated to the senior solicitor.

The Law Centre holds the Specialist Quality Mark in each of the areas of law in which it offers advice and representation. This provides a framework for the delivery of advice and representation and sets standards for training of staff and for supervision of these services, which is delegated to each of the team supervisors.

Risk Management

The Board of trustees has conducted a review of the major risks to which the charity is exposed, and a risk register has been established. This is reviewed at least quarterly along with a review of performance against the business plan. The Risk Register highlights those risks which are not 'standing risks', i.e. those where there are current issues which need to be reviewed. Any changes since the register was last reviewed by trustees are also highlighted.

Risks are grouped into "Business/Strategic", 'Operational' and 'Disaster'. Those risks which are entirely caused by external factors are dealt with by controls intended largely to mitigate the effect of the risk. Internal risks are minimised by procedures and controls within the charity.

The most significant risks to the charity are reduction or loss of funding from the LAA or the charity's other main funder, Coventry City Council.

Since April 2013, reductions in the scope of legal aid, brought in under the Legal Aid, Sentencing and Punishment of Offenders Act 2012, have reduced legal aid income for the charity. The Trustees have reviewed and planned for this and have adopted a strategy of bidding for funding from other sources.

**COVENTRY LAW CENTRE LTD
(LIMITED BY GUARANTEE)**

**Trustees' Annual Report
for the year ended 31 March 2014**

Coventry City Council has again protected the budget for advice services and has indicated that it will continue to do so for 2014/15.

The other key risk to financial stability is the liability currently arising from membership of the West Midlands Metropolitan Authorities Pension Fund. Trustees took the decision in May 2007 to close the pension scheme to new members in order to manage this risk and they continue to regularly review the financial impact of the fund on the finances of the organisation.

Related parties and wider networks

Coventry Law Centre is a member of the Law Centres' Network. This is the national body which sets the framework for the operation of law centres, and membership is obligatory for any organisation which wants to operate as a Law Centre. The Director of the Law Centre has been elected to serve on the Executive Committee of the Law Centres' Network.

The Director of the Law Centre is the chair of Advice Services Coventry. This is a group of voluntary and statutory organisations who all deliver advice services in the city. The group has developed a strategic approach to the delivery of advice services in Coventry. Membership of the group offers an opportunity to improve links and working arrangements with other agencies, which, in turn, improves services for clients.

Our Birmingham office is a member of the Gateway to Birmingham Advice Services. This is a group of voluntary organisations who all deliver advice services in Birmingham. It is funded by Big Lottery and provides arrangements for members to refer clients within the partnership and to share training and publicity.

Coventry Law Centre is a founding member of Here 2 Help (H2H), a Voluntary Sector Consortium recently established to safeguard and grow high quality voluntary and community sector service provision to local people through working with the local authority to co-design services and negotiate a pipeline of funding, and by tendering competitively for public service contracts via a range of channels. The Director of the Law Centre is a Board Member of H2H.

The Law Centre works in partnership with other organisations where this assists in achieving our goal of reaching clients who most need our services and who may be hard to reach, and where the partner organisation offers complementary services that improve the overall effectiveness of our specialist legal advice. In Coventry, for example, we are working with Grapevine Coventry and Warwickshire on two projects: Intensive work with Troubled Families and a Young Migrant Rights Project. In Birmingham, we are working with ASIRT and Hope on a project to support families with no recourse to public funds.

We also work with local universities to provide volunteering opportunities for students and to extend our capacity to provide free advice. The Universities involved are Coventry, Warwick and Birmingham.

Objectives and Activities

The charity's purposes as set out in the objects contained in the company's memorandum of association are:

- i) The relief of financial hardship and other forms of distress among the people of the City of Coventry in England and others through the provision of legal and other advisory, representation and information services which they could not otherwise obtain through lack of means
- ii) The advancement of education of the public by the improvement and diffusion of knowledge of the law and the administration of justice, having regard especially to those areas of the law which are of particular concern to poor people or are directed to the relief of poverty
- iii) To promote such other charitable purposes as are for the benefit of the people of the City of Coventry

These are summarised in our statement of purpose.

To fight social exclusion in communities and to effect change in society by increasing rights awareness and using legal processes to fight poverty, inequality and discrimination.

**Trustees' Annual Report
for the year ended 31 March 2014**

We will do this by:

- *Being active in communities and developing individual and community rights*
- *Working in partnership with other advice agencies, voluntary organisations and community groups*
- *Being accessible to vulnerable individuals and communities*
- *Offering specialist, professional, high quality advice and representation*
- *Treating clients and each other with respect, and building the confidence of individual clients and communities*
- *Being independent and politically neutral, and always acting in the best interests of the client*
- *Being flexible and adaptable to meet changing needs and emerging problems*

Strategic aims:

In determining the strategic aims for the charity for 2011-14, trustees took account of a number of external influences and issues that are likely to affect potential services users of the Law Centre, as well as trends and developments which will affect organisational development.

Trustees paid due regard to the guidance issued by the Charities Commission in relation to public benefit in deciding that all activity undertaken by the Charity must be in support of strengthening and expanding its capacity to provide legal advice and representation and to improve its ability to reach the most vulnerable individuals and communities.

The development plan for 2013/14 therefore was to achieve these key objectives, while taking account of the strengths and weaknesses of the charity, as well as opportunities and threats that it faces in the medium term.

The key issues underpinning the strategic aims for 2011-2014 were:

- Significant reductions in public services, along with major programmes of welfare reform, will put pressure on welfare benefits, housing, health and care services. These changes, along with increases in unemployment and debt, thereby will potentially increase demand for the charity's services
- The need to ensure as far as possible that legal services to meet the needs of local people are sustained, in the context of significant cuts to legal aid and severe reductions in funding to the local authority
- The potential opportunities that could come from the government's stated intention to develop the role of the voluntary sector, and the willingness of Coventry City Council to work in new ways with the voluntary sector to maintain or improve services while finding savings

Accordingly, the charity has seven strategic aims for 2011-2014

- Consolidating and strengthening our existing advice and representation services, and evolving and, where possible, expanding these to meet the changing needs of the population
- Strengthening the financial position of the organisation
- Developing new services to meet identified gaps in provision
- Seeking new ways to fund our services and finding new opportunities to use our expertise
- Ensuring that we play a leading and shaping role in partnership working within Coventry, allowing the organisation to make its services more accessible, ensuring that our services complement those of other partners, and that any duplication is removed

**Trustees' Annual Report
for the year ended 31 March 2014**

- Establishing a strong reputation for quality and expert advice in our new office in Birmingham and building the links and partnerships we need in the city to strengthen our service
- Maintaining and developing the profile and reputation of the Law Centre within Coventry, Birmingham and nationally, and taking opportunities to develop a regional presence across the Midlands. We are acknowledged nationally for partnership working and for developing innovative solutions with partners that combine advice with other forms of support to tackle multiple and complex needs. We will use our reputation to enhance rights awareness amongst the population, particularly amongst those who are most vulnerable and socially excluded. We will also use this to ensure that funders and potential funders value our services, and that our expertise and success is recognised amongst other legal professionals

The main activities that we have undertaken in pursuit of these aims during 2013/14 are described below. All our charitable activities focus on strengthening and expanding our capacity to provide legal advice and representation and improving our ability to reach the most vulnerable individuals and communities, and are undertaken to further our charitable purposes for the public benefit.

Who used and benefited from our service?

We seek to make our services accessible to those who are vulnerable, disadvantaged and socially excluded. The need within the populations we service is high.

Coventry's population estimate for 2013 was 329,800 residents (increased by 6,700 from 2012). This increase was estimated to be among the highest in the UK and Coventry is the centre of a sub-region serving half a million people.

- 18.3% of Coventry's population live in the top 10% most deprived LSOAs* nationally
* Lower Super Output Area – a geographical area used in the UK for statistical analysis and containing approximately 1500 people
- 23.3% of children in Coventry live in poverty, compared with 20.2% in the UK.
- 16.3% of households in Coventry are in fuel poverty, compared with 10.9% nationally
- 17.7% of the population has a limiting long term health problem or disability; the premature death rate and infant mortality rates are both higher than the national average and average life expectancy is shorter than the national average by a year for both males and females
- The numbers of children looked after by the local authority per head of the under 18 population is almost 30% higher than the national average.
- 8.1% of economically active working age residents are unemployed, compared with 7.8% nationally, and workless households (households with anyone of working age but with no one in employment) is 24%, compared with 18% nationally
- 7.4% of young people are not in education, employment or training, compared with a national average of 5.3%
- Average annual income per head is £13,374, compared with an average of £17,066 nationally
- Car ownership in Coventry is lower than the national average, with one third of households with no car
- Almost twice the national average number of households is accepted as homeless and in priority need each year.
- Violent crimes against another person are 12.4 per 1,000 residents, compared a national average of 11.¹

In Coventry, the Law Centre ensures its services reach those who are most vulnerable by working in partnership with other agencies and community organisations to reach those people living in the most deprived areas of the city and those who are disabled or have physical or mental health problems. We prioritise cases where discrimination is a factor.

¹ Source: Facts about Coventry, Headline Statistics July 2014

**Trustees' Annual Report
for the year ended 31 March 2014**

The client group that we seek to assist will be affected during the next 2-3 years by both the impact of major Government reform in social welfare services and by the impact of the significant cuts in public sector spending. We anticipate increasing demand for our services in response to this situation.

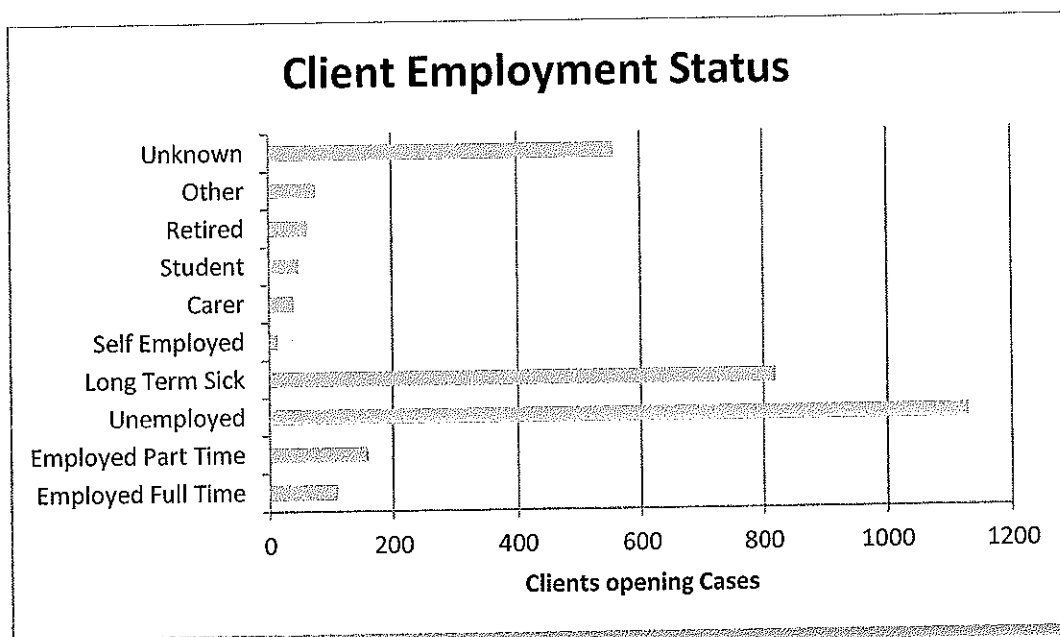
Birmingham is ranked the third most deprived core city in the UK, behind Liverpool and Manchester, and is ranked the most deprived in terms of both income and employment deprivation. Deprivation in Birmingham is mainly concentrated in a ring around the city centre that closely follows the inner ring road and Number 8 bus route. Approximately 40% of Birmingham's population lives in areas described as in the most deprived 10% in England.

Our new service in Birmingham is based at the Bangladesh Centre in Sparkbrook, directly on the Number 8 bus route – which connects the eight inner-city wards where deprivation is highest and where the migrant population is 76%.

Sparkbrook itself is the second most deprived ward in Birmingham and, contained within it, is an area which is within the most deprived 5% nationally. 64% of the local population is from the South Asian community with just under 10% from the Caribbean. There are growing numbers of Somalis, including refugees and asylum seekers as well as those who have moved here directly from other countries in the European Union. 77.6% of the population is defined as non-white in the 2011 census and 42.5% were born overseas². Many people live in overcrowded conditions with several generations sharing accommodation in order to reduce living costs. According to the 2011 Census data, 22.5% of households are overcrowded - almost double the percentage for Birmingham as a whole.

At 18.8%, unemployment is higher than the Birmingham average and average household income is lower than £20,000. The combination of low income and greater numbers of children means a greater reliance on child benefit and child tax credit although, unlike other deprived areas, there is evidence of under claiming ESA and Disability Living Allowance.³

The characteristics of the people we have helped during 2013/14 are

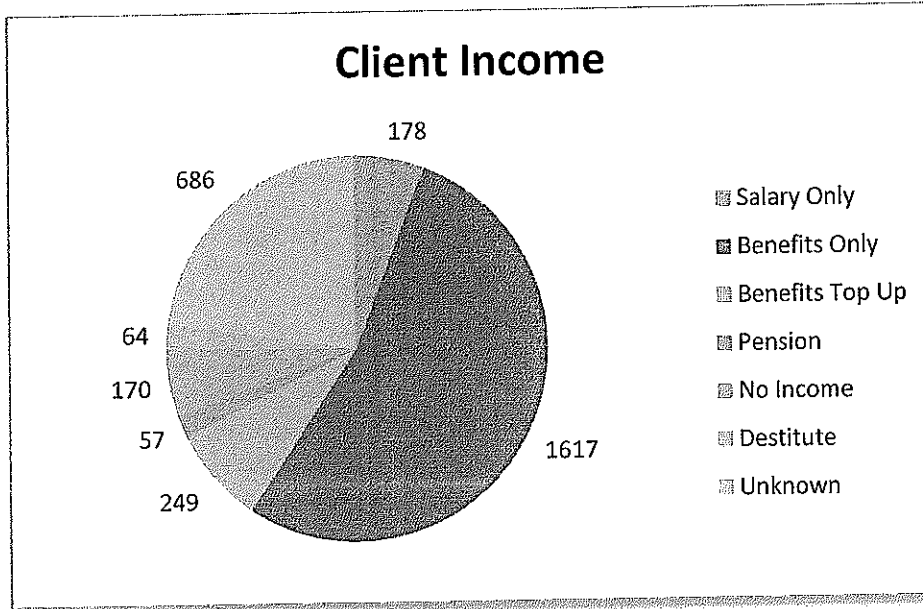


Though the age groups most likely to be economically active form the largest proportion of our client base, The majority of our clients were not working at all and only a small number were in full time employment.

² Source: 2011 Census Data, Birmingham Quick Ward Profiles

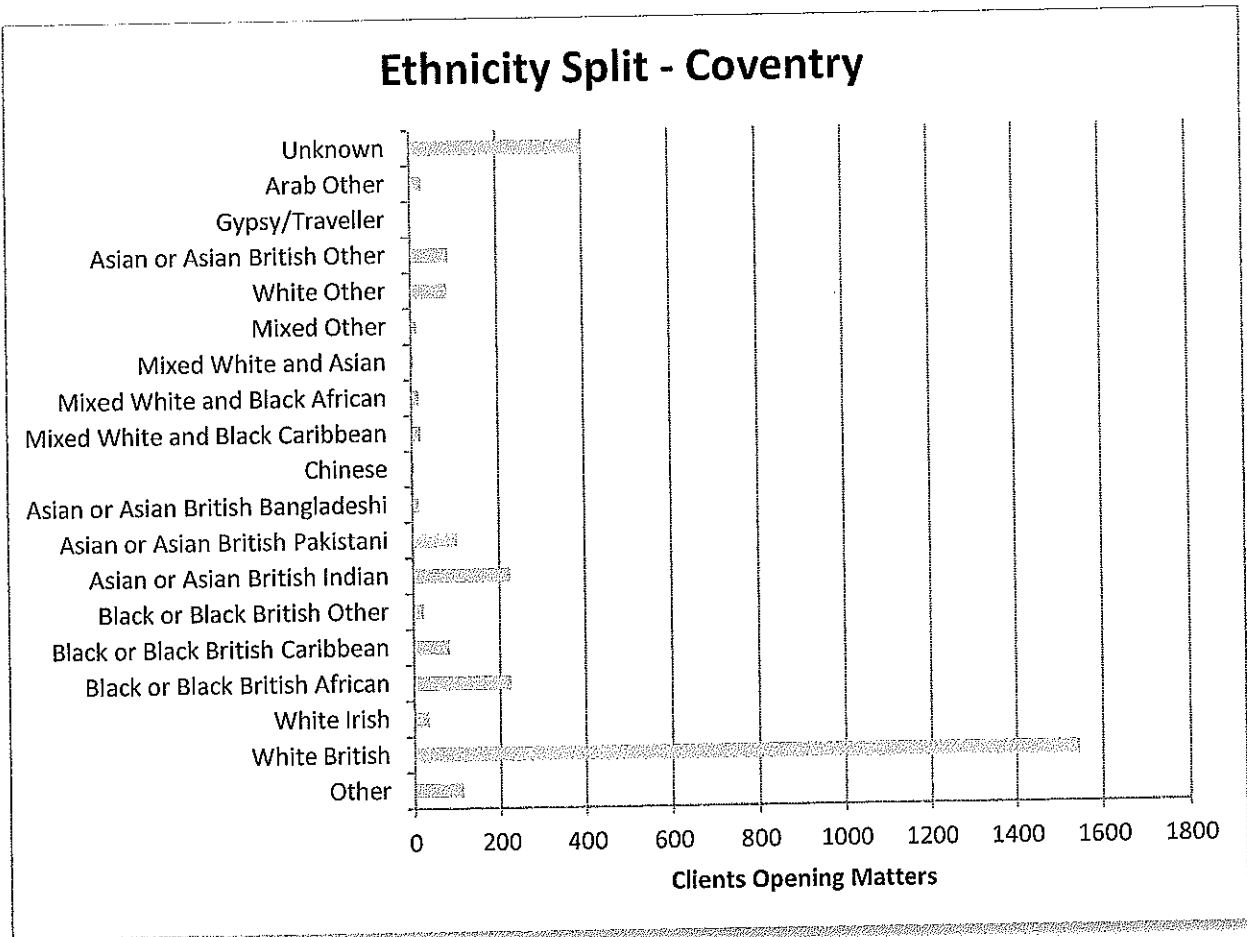
³ Source: Experian Mosaic UK, Consumer Classification Data

Trustees' Annual Report
for the year ended 31 March 2014

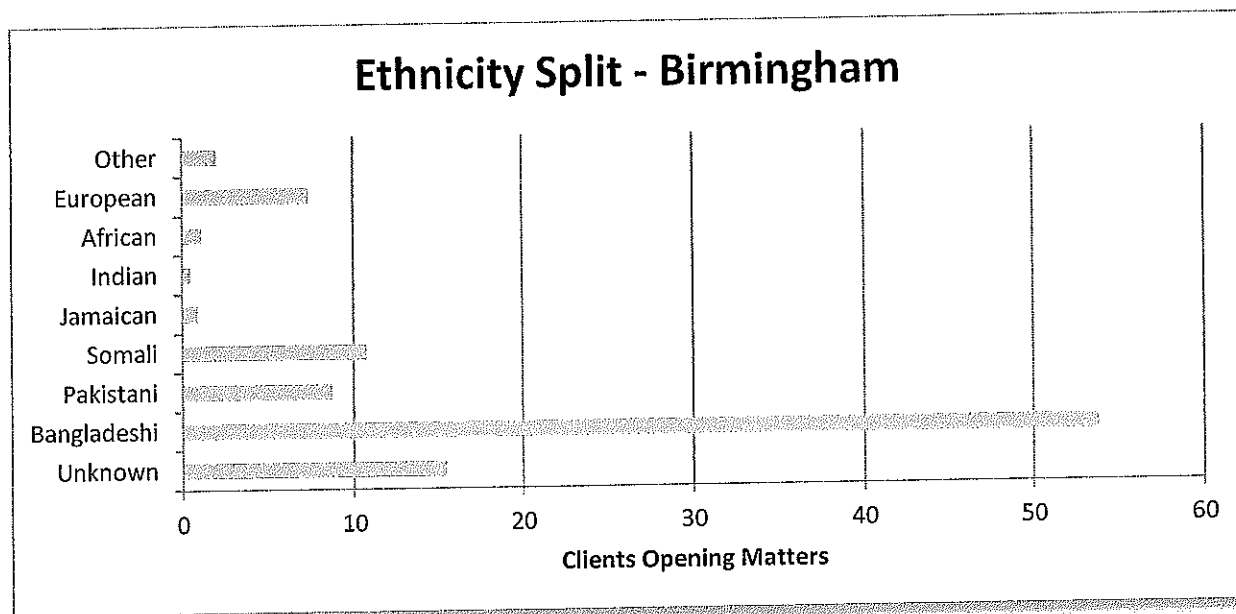


66% of our clients had a disability or serious/long term illness.

The ethnicity profile is shown below and represents a significant use of our services by minority ethnic groups.



Trustees' Annual Report
for the year ended 31 March 2014



Achievements and performance

Service delivery

In **Coventry**, we offer free advice and representation in the following areas of law:

- Discrimination
- Debt
- Employment
- Family
- Health and Community Care
- Housing
- Immigration and Asylum
- Public Law
- Welfare Benefits

We provide a comprehensive service: encompassing casework, representation, legal education and rights awareness raising, as well as working with partners to influence service delivery.

As is demonstrated in the data above, we primarily advise residents of Coventry and those who work in the city, but we also have funding to assist small numbers of people in Warwickshire, and people in Birmingham.

The scope of legal aid funding reduced significantly from 1st April 2013. The areas of law still covered under Legal Aid contracts are Housing, Community Care, Family, Asylum and Public Law. Consequently, we rely on a growing range of other forms of funding to continue to provide services.

We received £528,729 from Coventry City Council, which allows us to undertake work in Coventry that is not funded by the LAA - and continues to provide long term financial stability to our work in the city. For this year, this included an extra amount of money to help us respond to the significant increase in benefit appeals that has resulted from the Government's programme of Welfare Reform.

This was complemented by funding from The Baring Foundation, who enabled us to employ a member of staff to focus on training and awareness-raising to support disabled people through Welfare Reform, as well as undertaking research into the application of benefits sanctions in Coventry.

Other funding we have received has supported a programme of work that focuses on particularly vulnerable groups of people.

- We received funding from Coventry Building Society and from Whitefriars Housing. These sources of funding allowed us to continue our debt advice service, which has proved particularly

**COVENTRY LAW CENTRE LTD
(LIMITED BY GUARANTEE)**

**Trustees' Annual Report
for the year ended 31 March 2014**

valuable as increasing numbers of people have sought help with debt problems because of the impact of the economic recession.

- Scottish Power Energy Trust provided funding that allowed us to offer home visits to clients experiencing problems with fuel debt. Assistance is given to resolve fuel debt and other financial issues, as well as giving guidance on energy saving.

We also began delivering our specialist legal advice services in ways that take them closer to those who are most vulnerable:

- We began working alongside the local authority's Children and Families First Team offering home visits to families identified by the local authority as in need of support. With funding from The Baring Foundation we were able to expand this work and place an advisor with the new Troubled Families Team. This takes our service direct to some of the most vulnerable households in the city and an independent evaluation has shown it to be making a positive impact.
- Funding from the Paul Hamlyn Foundation has allowed us to establish a Young Migrants Rights Project. We are working in partnership with Grapevine (a local charity) to reach young, undocumented migrants, to provide them with access to immigration and other specialist advice, and also to help them connect into services and make connections with other people to reduce their isolation and vulnerability. This funding has been extended for a third year into 2014/15.
- We have also been working in partnership with Grapevine on a project funded by Lankelly Chase. This is part of a national programme of funding for projects that work with people facing severe and multiple disadvantage – and we have been working intensively with families in Willenhall – a neighbourhood in Coventry.

Finally, we are members of a consortium selected by Here 2 Help to tender for the Healthwatch contract. The consortium was successful and the Law Centre is responsible for the operation of the Independent Complaints Advocacy Service – dealing with health complaints throughout Coventry. This service complements our Community Care casework service – for which we have just recently secured a new three year legal aid contract.

In **Birmingham** we are concentrating initially on services that are relevant for the local community and for other migrant communities within the inner city.

We offer an accessible, open door service for local community advice work

- Benefits/Debt basic advice work (form filling, phone calls, signposting)
- Assistance with on line applications in readiness for the introduction of Universal Credit
- Low level Immigration work, form filling, witness statements, statutory declarations, submissions

We take referrals from other agencies across the city for specialist legal advice and representation:

- Migrants rights (access to support and accommodation under s17, s21, s4, asylum support etc)
- Immigration advice and representation
- Community Care casework
- Public law challenges
- Benefits Upper Tribunal challenges
- Debt County Court Representation; Debt Relief Orders and Bankruptcies

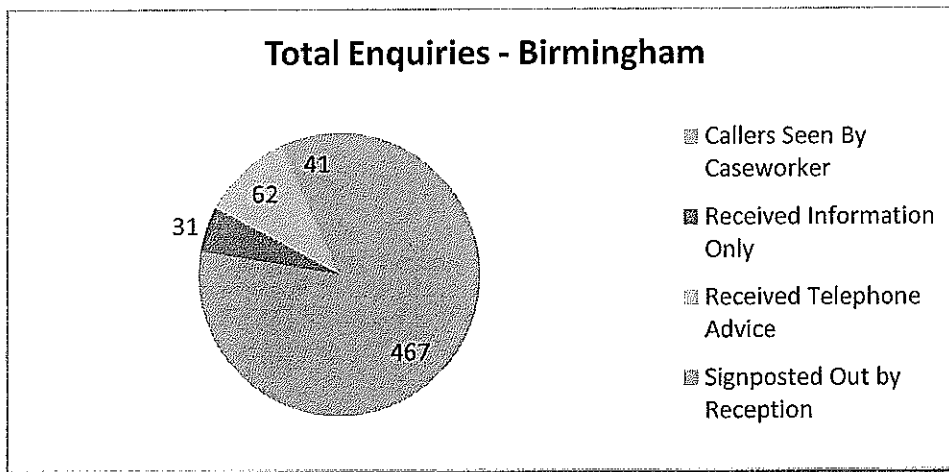
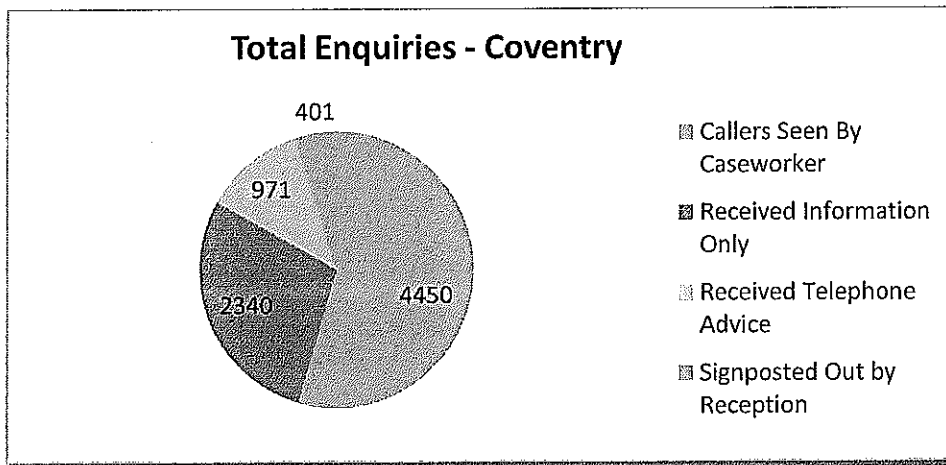
Our service in Birmingham was initially supported by the Bangladesh Centre, who allowed us to establish, rent free, an office in their premises. We were also backed by Barrow Cadbury, Yardley Great Trust, Friends Hall Farm Street Trust and Grimmits. Later in the year, we received funding from AB Charitable Trust, the Access to Justice Foundation and the Harry Payne Trust. Barrow Cadbury has awarded further funding to support the establishment of pro-bono advice clinics in partnership with the University of Birmingham. The Baring Foundation, Unbound Philanthropy and Comic Relief have provided funding for us to work with migrant families with no recourse to public funds.

**COVENTRY LAW CENTRE LTD
(LIMITED BY GUARANTEE)**

**Trustees' Annual Report
for the year ended 31 March 2014**

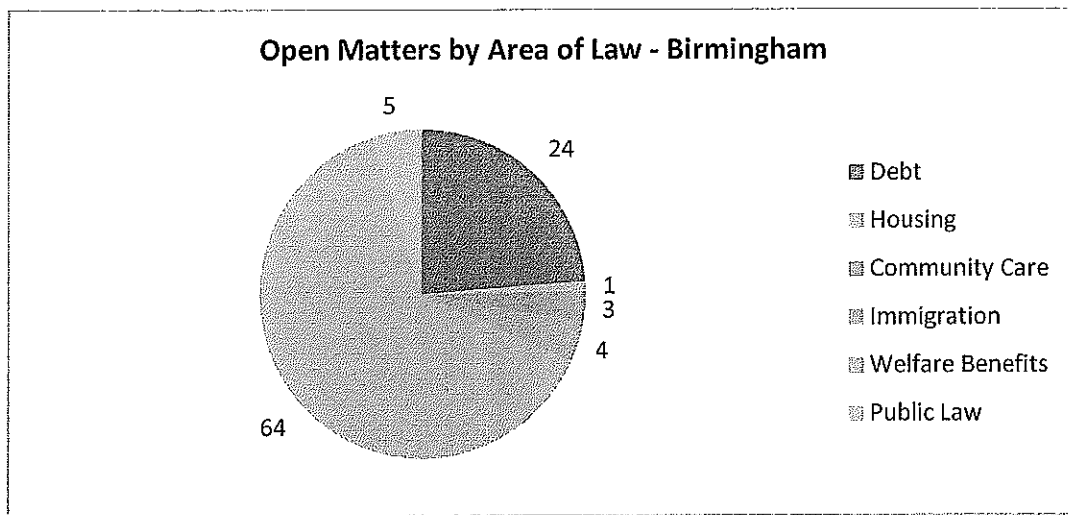
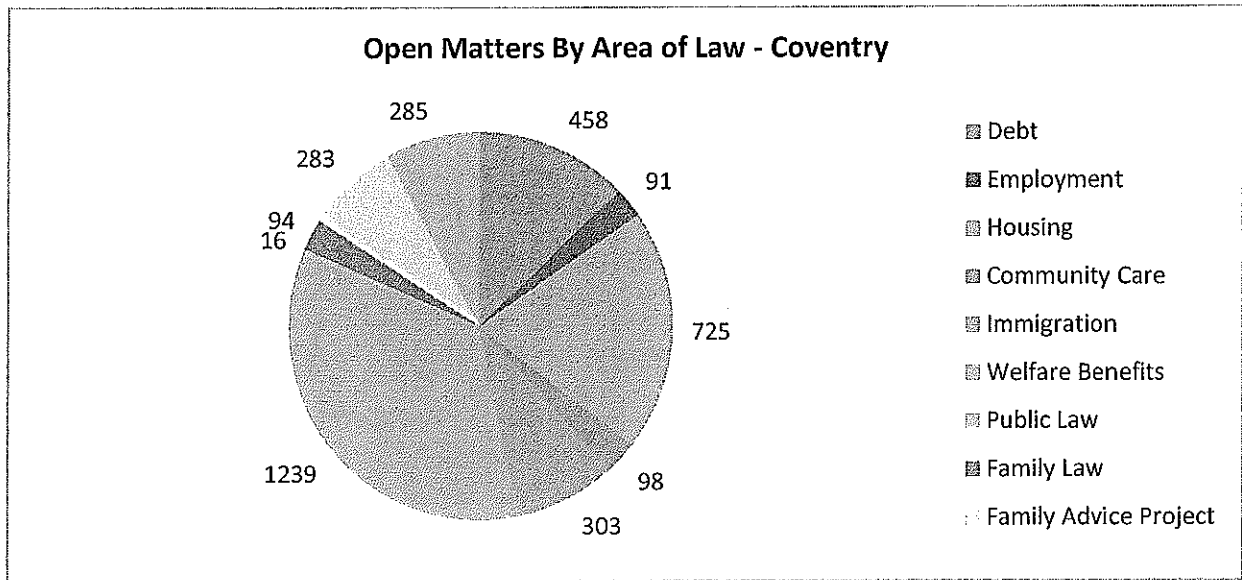
The Birmingham office has recently successfully tendered for a legal aid contract in Community Care, and can also provide legal aid funded services to clients to wish to appeal decisions made by the first tier benefits tribunal.

During 2013/14 we assisted nearly 9,000 people across our two offices



We worked on 3693 new cases

Trustees' Annual Report
for the year ended 31 March 2014



1152 cases involved representation at tribunal or court.

Development of staff

All staff continued to benefit from development and training to meet needs identified through the charity's staff appraisal process.

Governance

Governance of the charity remains strong. The trustees, who are directors for the purpose of company law, and trustees for the purpose of charity law, who served during the year and up to the date of this report, are as follows:

- Prof. H Bahra (Chair)
- R G Hughes
- Councillor L J Bigham
- J Jeffrey
- C Christie
- K Wilding
- G Moffatt (appointed 28 May 2014)

Financial Review

**COVENTRY LAW CENTRE LTD
(LIMITED BY GUARANTEE)**

**Trustees' Annual Report
for the year ended 31 March 2014**

Financial stability

The charity has continued to move forward positively and an overall net increase in funds of £128,654 (before actuarial liabilities relating to the West Midlands Pension Fund) was achieved for the year. Continued support from Coventry City Council, as well as an expansion the range of funders provided strong foundations on which to continue to develop. Expansion into Birmingham has been carefully considered and has proceeded cautiously, but early signs show that it is proving to be positive financially in providing opportunity for growth and for spreading overheads.

The Trustees have a reasonable expectation that the charity will continue in operational existence for the foreseeable future (being over 12 months from the date of signing this report) and have therefore, used the going concern basis in preparing these financial statements.

Principal sources of funding

Coventry City Council continues to represent the main source of funding for the charity. The Trustees are very grateful to the Council for its consistent support of the work of the Law Centre. Its investment in the charity over many years has allowed the Law Centre to develop into a highly professional and respected charity, which can, in turn, support other agencies within the city.

The funding from Coventry City Council allows the Law Centre to undertake the rights awareness raising work which is critical to reaching those who are most vulnerable and socially excluded; as well as allowing representation at tribunals where these are not funded by the Legal Aid Agency; and free advice and casework for people on low incomes, but who do not qualify for legal aid.

Fees paid by the Legal Aid Agency (LAA) for work undertaken for clients who are eligible for legal aid is another key source of funding . This covers approximately 40% of the casework undertaken.

As mentioned above, we also received funding from Whitefriars Housing, Coventry Building Society, British Scottish Power Energy Trust, enabling us to continue a debt advice service and to focus on fuel debt.

Other funders this year were Paul Hamlyn Foundation; and new funding from Lankelly Chase, The Baring Foundation and Children's Services in the local authority.

Our services in Birmingham are supported by a wide range of funders, with Barrow Cadbury, Unbound Philanthropy, The Baring Foundation and Comic Relief being the biggest of the group. Newly won contracts for legal aid work will start to see an expansion of funding from that source in the coming year.

Pension fund

The charity is an admitted body member of the West Midlands Metropolitan Authorities Pension Fund. This is a multi-employer pension scheme providing benefits based on career averaged re-valued earnings. Details of the pension scheme are included in note 16 of the financial statements.

The detail in the note highlights a significant liability in relation to the membership of the Pension Fund. As mentioned earlier in the report, Trustees closed the pension scheme to new members in order to manage this risk, and alternative pension provision has been established.

In making this decision, trustees have taken account of the guidance issued by the Charity Commission on Charity Reserves and Defined Benefit Pension Schemes. This highlights that, in considering the position in relation to the FRS 17 valuation, trustees should take account of the fact that the deficit does not crystallize immediately, but must give consideration to the impact on future cash flow forecasts of the impact of increased contributions. In this context, trustees have corresponded with the West Midlands Metropolitan Authorities Pension Fund and have built the future planned contribution rates into their cash flow projections. Trustees are satisfied that planned increases can be accommodated and will not therefore impact negatively on future operational plans and budgets.

**COVENTRY LAW CENTRE LTD
(LIMITED BY GUARANTEE)**

**Trustees' Annual Report
for the year ended 31 March 2014**

Reserves Policy

The trustees have reviewed the charity's need for reserves in line with the guidance issued by the Charity Commission.

They presently recognise the need to set aside or designate amounts to fund the planned replacement of current operational fixed assets; an emergency operating reserve which would safeguard the charity's service commitment in the event of delays in receipt of grants or other serious disruptions such as the withdrawal of funding from key sources; and a redundancy reserve in the event of a reduction or close down in service provision due to damaging circumstances.

The trustees have set together the targets for each of these requirements, and collectively this gives rise to a target for total reserves. The target for the replacement of fixed assets is £117,840 reflecting the replacement costs of assets in use; the equivalent level of three months operating costs, currently £ 304,153, calculated and reviewed annually, is the target for the operating reserves; and the target for redundancy reserves reflects existing redundancy costs, currently £ 62,588.

This gives a total target of £484,581.

The General Reserve shows a balance of £563,324 following the net increase in funds during the year. The Pension Fund liability is valued at £437,000, which leaves the General Reserve with a balance of £126,324.

Public Benefit

The trustees have considered the Charities Commission's requirement in respect of Public Benefit. In their view the charity meets, in full, the criteria to satisfy the test. The trustees' annual report has described earlier in this report the activities undertaken to further its charitable purposes for the public benefit.

Investment policy

The trustees are empowered by the Articles of Association to invest the charity's money as they see fit and make their decisions with reference to the Charity Commission's guidance. Given the absence of substantial reserves, the current investment policy is for funds to be held on deposit with the charity's bankers at the best available rate of interest. Funds over £60,000 may be placed on the money market through the charity's bankers where the returns warrant this course of action.

Plans for Future Periods

For 2014/15, we will continue to offer advice and representation in the same areas of law.

Income from the Legal Aid Agency has reduced by approximately £200,000 since the changes introduced to the scope of legal aid. We have been successful in securing new investment to replace much of this funding, although more of our work is undertaken as projects and so is focused more tightly on specific vulnerable groups.

For the longer term, we recognise that the environment in which we are operating is extremely challenging: the combination of the recession and public sector funding cuts means demand for our assistance is rising; at the same time significant cuts to legal aid funding are being implemented.

During 2014/15, in support of our strategic aims to evolve and expand our existing services to meet the changing needs of the population and to meet identified gaps in provision, we will continue, where possible, to expand and develop our services. We will do this by

**COVENTRY LAW CENTRE LTD
(LIMITED BY GUARANTEE)**

**Trustees' Annual Report
for the year ended 31 March 2014**

- ❖ Ensuring successful delivery of the remaining Legal Aid Agency contracts that we hold. We have been successful in securing a new three year contract for Community Care that covers Birmingham as well as Coventry. and we are providing legal aid funded services from a range of additional premises in Coventry: at CAB, Coventry Refugee and Migrant Centre, St Peters Centre and Valley House – forging stronger relationships with those agencies.
- ❖ Continuing the pursuit of additional funds to expand our debt and money advice services and working to establish Coventry Law Centre as a leader in financial inclusion and capability services.
- ❖ Seeking new funding to ensure the continuation of our advice services – and particularly focusing on reaching the most vulnerable clients directly. We intend to build our expertise in working with families in need and in working alongside partner agencies to provide support as well as legal advice to those who need it.
- ❖ Continuing the development of links and partnerships in Warwickshire to support the extension of our Housing work into the county. We have recently tendered successfully to deliver a housing legal advice service at Leamington Justice Centre funded by Warwick District Council – and this will open up new relationships.
- ❖ Working closely with our partners in Advice Services Coventry and Here 2 Help to ensure that our services are delivered in a way that responds to the needs of those who are most vulnerable and socially excluded. This will include developing new ways of delivering services in multi- disciplinary teams to better target those who most need our help
- ❖ Developing our new services in Birmingham and becoming acknowledged experts in Migrants Rights and Community Care within the city.
- ❖ Working with partners in Gateway to Birmingham Advice Services to ensure our services complement and support those of other agencies in the city
- ❖ Developing pro-bono clinics for employment and immigration advice in both Coventry and Birmingham – working in partnership with local universities and with private firms.
- ❖ Continuing to analyse data on our client base and the need for advice services, as well as seeking and analysing feedback on our services to ensure that we deliver services that are flexible and dynamic and that can evolve to meet changing needs

We will continue to seek savings in overheads by sharing services where appropriate, and by extending our use of IT to ensure that we maximise efficiency and improve data analysis to inform our performance management.

Trustees' Responsibilities

The trustees (who are also directors for the purposes of company law) are required by company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charity at the end of the year and the incoming and outgoing resources for the year then ended.

In preparing those financial statements the trustees are required to select suitable accounting policies and then apply them consistently, making judgements and estimates that are reasonable and prudent. The trustees must state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts. The trustees must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue its activities.

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial

**COVENTRY LAW CENTRE LTD
(LIMITED BY GUARANTEE)**

**Trustees' Annual Report
for the year ended 31 March 2014**

statements comply with the Companies Act 2006. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention of fraud and other irregularities.

The maintenance and integrity of the charity's website is the responsibility of the trustees. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislations in other jurisdictions.

In accordance with company law, as the company's directors, we certify that:

In so far as we are aware, there is no relevant audit information of which the company's auditors are unaware and as directors of the company, we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of this information.

Auditors

A resolution to re-appoint Chantrey Vellacott DFK LLP as auditors for the ensuing year will be proposed at the annual general meeting.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

**Registered Office:
Oakwood House
St Patricks Road Entrance
Coventry
CV1 2HL**

Signed by Order of the Trustees



**Sue Bent
Company Secretary
Approved by the trustees on**

17 | 12 | 2014

**COVENTRY LAW CENTRE
(LIMITED BY GUARANTEE)**

Independent Auditor's Report To The Members of Coventry Law Centre Ltd

We have audited the financial statements of Coventry Law Centre Ltd for the year ended 31 March 2014 which comprise the Statement of Financial Activities, the Balance Sheet and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the 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.

Respective responsibilities of Trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 15 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the trustees report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

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 2014 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.

William Devitt

WILLIAM DEVITT (Senior Statutory Auditor)
for and on behalf of CHANTREY VELLACOTT DFK LLP
Chartered Accountants and Statutory Auditor
Northampton

19/12/2014

**COVENTRY LAW CENTRE
(LIMITED BY GUARANTEE)**

**Statement of financial activities (including income and expenditure account)
for the year ended 31 March 2014**

	Note	Unrestricted funds £	Restricted funds £	Total funds 31 March 14 £	Total funds 31 March 13 £
Incoming resources					
Incoming resources from generated funds:					
<i>Voluntary income:</i>					
Donations	2	668	1,372	2,040	2,480
<i>Activities for generating funds:</i>					
Investment income		84	-	84	90
Other incoming resources		-	-	-	31
Incoming resources from charitable activities					
Grants and contracts receivable	3	911,777	576,515	1,488,292	1,282,536
Total incoming resources		912,529	577,887	1,490,416	1,285,137
Resources expended					
Charitable activities					
Finance cost - expected return on pension scheme assets		875,531	478,591	1,354,122	1,256,268
- interest on pension scheme liabilities		(88,000)	-	(88,000)	(82,000)
		94,000	-	94,000	93,000
Governance costs		7,640	-	7,640	7,035
Total resources expended	4	889,171	478,591	1,367,762	1,274,303
Net incoming resources for the year	5	23,358	99,296	122,654	10,834
Other recognised gains and losses					
Actuarial gain/(loss) on defined benefit pension scheme	16	311,000	-	311,000	(198,000)
Net movement in funds during the year		334,358	99,296	433,654	(187,166)
Total funds brought forward		(190,837)	4,354	(186,483)	683
Total funds carried forward	13	143,521	103,650	247,171	(186,483)

The charity has no recognised gains or losses other than the results for the period as set out above.

All of the activities of the charity are classed as continuing.

The notes on pages 20 to 30 form part of these financial statements.

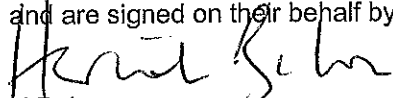
**COVENTRY LAW CENTRE
(LIMITED BY GUARANTEE)**

Balance Sheet 31 March 2014

	Note	£	2014 £	£	2013 £
Fixed assets					
Tangible fixed assets	8		18,989		40,020
Current assets					
Debtors	9	515,710		489,037	
Cash at bank and in hand		510,363		415,607	
			<u>1,026,073</u>	<u>904,644</u>	
Creditors: amounts falling due within one year	10	(360,891)		(384,870)	
Net current assets			<u>665,182</u>	<u>519,774</u>	
Total assets less current liabilities			684,171		559,794
Creditors: amounts falling due after more than one year	11		-		(6,277)
Net assets before pension scheme liability			<u>684,171</u>		<u>553,517</u>
Defined benefit pension liability	16	(437,000)		(740,000)	
Net assets/(liabilities) including pension scheme liability			<u>247,171</u>		<u>(186,483)</u>
Funds					
Unrestricted:					
General funds excluding pension liability		580,521		549,163	
Pension reserve		(437,000)		(740,000)	
Total unrestricted funds			<u>143,521</u>	<u>(190,837)</u>	
Restricted			<u>103,650</u>	<u>4,354</u>	
Total funds	13		<u>247,171</u>	<u>(186,483)</u>	

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

These financial statements were approved by the board of Trustees and authorised for issue on 17/04/14 and are signed on their behalf by:


H Bahra
Director

Company Registration Number: 4149673

The notes on pages 20 to 30 form part of these financial statements.

**COVENTRY LAW CENTRE
(LIMITED BY GUARANTEE)**

Notes to the financial statements for the year ended 31 March 2014

1. Accounting policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with Statement of Recommended Practice "Accounting and Reporting by Charities" (revised 2005), the Companies Act 2006, the Financial Reporting Standard for Smaller Entities (FRSSE) (effective April 2008) and UITF 40 – Revenue Recognition. The financial statements have been prepared on the going concern basis.

(b) Fund accounting

The charity maintains various types of funds as follows.

Restricted funds – Restricted funds represent grants and donations received which are allocated by the donor for specific purposes.

Designated funds – Designated funds represent funds set aside by the Trustees out of unrestricted general funds for specific future purposes or projects.

Unrestricted funds – Unrestricted funds represent income, which is expendable at the discretion of the Trustees in the furtherance of the objects of the charity.

(c) Incoming resources

Incoming resources are shown exclusive of Value Added Tax, where applicable.

Donations and similar incoming resources are included in the year in which they are receivable, which is when the charity becomes entitled to the resource.

Grants receivable are credited to the Statement of Financial Activities (SOFA) in the year for which they are received. Deferred income represents amounts received for future periods and is released to incoming resources in the period for which it has been received. Investment income and other income are included in the SOFA in the year in which it is receivable.

Amounts receivable under contracts for legal services are scheduled on an accruals basis. Income reflects the fair value of services provided on each assignment including expenses and disbursements, based on the stage of completion of each assignment as at the Balance Sheet date.

Unbilled income is scheduled as accrued income in Debtors and is valued on an hourly rate plus a reasonable percentage of attributable overheads together with any disbursements expended.

(d) Resources expended and basis of allocation of costs

Expenditure is recognised on an accrual basis as a liability is incurred. Grants payable are charged in the year they become payable.

(e) Allocation of overhead and support

Overhead and support costs have been allocated between Charitable Activities and Governance Costs. Costs which are not wholly attributable to an expenditure category have been apportioned to each activity based on an estimate of staff time.

(f) Costs of generating funds

The costs of generating funds are those costs attributable to generating incoming resources for the charity.

(g) Charitable Activities

Costs of charitable activities comprise all costs incurred in the pursuit of the charitable objects of the charity. These costs, where not wholly attributable, are apportioned between the categories of charitable expenditure in addition to the direct costs. The total cost of charitable expenditure therefore includes support costs and an apportionment of overheads, as shown in note 4.

**COVENTRY LAW CENTRE
(LIMITED BY GUARANTEE)**

Notes to the financial statements for the year ended 31 March 2014

Accounting policies (continued)

- (h) **Governance costs**
Governance costs include those incurred in the governance of the charity and are primarily associated with constitutional and statutory requirements.
- (i) **Tangible fixed assets**
Tangible fixed assets are stated at cost less depreciation, which is provided in annual instalments over the estimated useful lives of the assets. The rates of depreciation applied to the assets are:
 Computer equipment - 33¹/₃% on cost
 Office equipment - 20% on cost
 Property improvements - 20% on cost
- (j) **Operating leases**
Rentals applicable to operating leases are charged to the Statement of Financial Activities (SOFA) over the period in which the cost is incurred.
- (k) **Pension costs**
Retirement benefits to employees of the charity are provided by Scottish Widows (a defined contribution scheme) and the Local Government Pension Scheme (West Midlands Pension Fund). The Local Government Pension Scheme is a funded defined benefit scheme and the assets are held separately from those of the charity. 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 term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses. The Trustees note that the calculated notional deficit or surplus calculated under FRS 17 can vary greatly from year to year depending on the assumptions made at the valuation date.
- (l) **Client accounts**
As part of working practices the charity holds third party funds in separate designated bank accounts. These funds are not assets of the charity and are not accounted for in these financial statements.

2. Voluntary income

	Unrestricted funds £	Restricted funds £	Total funds 31 March 14 £	Total funds 31 March 13 £
Donations	668	1,372	2,040	2,480
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

**COVENTRY LAW CENTRE
(LIMITED BY GUARANTEE)**

Notes to the financial statements for the year ended 31 March 2014

3. Grants and contracts receivable	Unrestricted funds £	Restricted funds £	Total funds 31 March 14 £	Total funds 31 March 13 £
Coventry City Council	475,272	-	475,272	475,272
Legal Services Commission	277,874	-	277,874	319,748
Legal Services Commission – housing pilot	21,680	-	21,680	20,535
Coventry City Council – Social Services	38,457	-	38,457	38,457
Disbursements and profit costs	98,494	-	98,494	96,367
Big Lottery Fund	-	-	-	70,000
The Baring Foundation STVS Independence Grant Project 2011-2013	-	20,006	20,006	18,981
The Baring Foundation and Esme Fairbairn Foundation – Restructuring Fund 2011	-	-	-	22,414
Baring Foundation STVS Future Advice Providers Fund 2012	-	61,188	61,188	9,312
Whitefriars Housing Association	-	44,616	44,616	42,232
Coventry Building Society	-	15,000	15,000	25,000
Midland Legal Support Trust	-	-	-	5,000
Paul Hamlyn Young Migrant Rights Project	-	84,365	84,365	35,635
Paul Hamlyn Arrivals Project	-	-	-	2,500
Scottish Power Energy Trust	-	27,900	27,900	8,100
Coventry City Council – Multi Disciplinary Team	-	24,500	24,500	17,150
British Gas Energy Trust	-	-	-	75,833
Strategic Legal Fund for Vulnerable Young Migrants	-	6,217	6,217	-
Coventry City Council - Troubled Families	-	12,370	12,370	-
Coventry City Council – Welfare Benefit	-	15,000	15,000	-
Coventry City Council –Multi Disciplinary Team Children and Families	-	8,760	8,760	-
Lankelly Chase	-	92,000	92,000	-
Healthwatch	-	21,692	21,692	-
Yardley Great Trust	-	5,500	5,500	-
Friends Hall Farm Street Trust	-	2,000	2,000	-
The Grimmitt Trust	-	5,000	5,000	-
Barrow Cadbury	-	30,000	30,000	-
Harry Payne	-	750	750	-
Access To Justice Foundation	-	10,000	10,000	-
DLA Piper	-	500	500	-
The Barings Foundation/Unbound Philanthropy	-	74,151	74,151	-
AB Charitable Trust	-	15,000	15,000	-
	<u>911,777</u>	<u>576,515</u>	<u>1,488,292</u>	<u>1,282,536</u>

**COVENTRY LAW CENTRE
(LIMITED BY GUARANTEE)**

Notes to the financial statements for the year ended 31 March 2014

4. Analysis of total resources expended

	Charitable activities	Governance	Total 31 March 14	Total 31 March 13
	£	£	£	£
Costs directly allocated to activities				
Staff costs	648,007	-	648,007	571,966
Insurance	7,500	-	7,500	8,252
Publications	3,831	-	3,831	4,850
Subscriptions	8,197	-	8,197	6,094
Courses	10,297	-	10,297	11,616
Disbursements	107,814	-	107,814	97,962
Support costs allocated to activities				
General office and finance staff	282,922	-	282,922	350,698
Communications	7,154	-	7,154	5,645
Premises costs	59,084	-	59,084	53,562
Other costs	30,917	-	30,917	24,237
Depreciation	22,595	-	22,595	23,654
Legal and professional fees	35	-	35	3,189
Audit and accountancy	-	5,540	5,540	5,135
Printing, postage & stationery	26,450	-	26,450	25,820
Advertising	-	-	-	3,577
Travel	3,472	-	3,472	1,913
Bank charges	68	-	68	26
Grant funded activities	106,507	-	106,507	31,813
Pension fund valuation	-	2,100	2,100	1,900
Pension operating charge	29,272	-	29,272	31,394
Pension finance cost	6,000	-	6,000	11,000
	<u>1,360,122</u>	<u>7,640</u>	<u>1,367,762</u>	<u>1,274,303</u>

The charity allocates its support costs as shown in the table above and then further apportions those costs between the charitable activities undertaken. Support costs are allocated between charitable activities based on an estimate of staff time.

The charity incurred a cost of £2,067 (2013 £2,067) for professional insurance.

5. Net incoming resources for the year

This is stated after charging

	Total 31 March 14	Total 31 March 13
	£	£
Depreciation	22,381	23,654
Operating lease costs – property	38,766	37,912
Auditors' remuneration:		
As auditors	3,850	3,750
Other services	1,690	1,160
	<u>130,654</u>	<u>18,834</u>
Net incoming resources before FRS 17 adjustment	(8,000)	(8,000)
Net FRS17 adjustment		
Net (outgoing)/incoming resources after FRS 17 adjustment	<u>122,654</u>	<u>10,834</u>

**COVENTRY LAW CENTRE
(LIMITED BY GUARANTEE)**

Notes to the financial statements for the year ended 31 March 2014

6. Staff costs and numbers

The aggregate payroll costs were as follows:

	Total 31 March 14 £	Total 31 March 13 £
Salaries and wages	852,237	840,164
Social Security costs	76,691	74,716
Pension costs	31,372	36,294
Recruitment costs	2,083	4,341
	<u>962,383</u>	<u>955,515</u>

No employee earned salary at a rate above £60,000 per annum in either year.
No trustee received any remuneration or was reimbursed for any expenses in either year.

The average number of staff employed by the charity during the period calculated in full time equivalents was:

	2014 No.	2013 No.
Administrative staff	6	5
Legal and advisory staff	27	27
	<u>33</u>	<u>32</u>

7. Taxation

The charitable company is exempt from corporation tax on its charitable activities.

8. Tangible fixed assets

	Property improvements £	Computer equipment £	Office equipment £	Total £
Cost				
At 1 April 2013	64,502	111,904	38,689	215,095
Additions	-	1,350	-	1,350
Disposals	-	-	-	-
	<u>64,502</u>	<u>113,254</u>	<u>38,689</u>	<u>216,445</u>
At 31 March 2014	<u>64,502</u>	<u>113,254</u>	<u>38,689</u>	<u>216,445</u>
Depreciation				
At 1 April 2013	41,926	97,412	35,737	175,075
Charge for the year	12,900	8,686	795	22,381
Released on disposal	-	-	-	-
	<u>54,826</u>	<u>106,098</u>	<u>36,532</u>	<u>197,456</u>
At 31 March 2014	<u>54,826</u>	<u>106,098</u>	<u>36,532</u>	<u>197,456</u>
Net book value				
At 31 March 2014	<u>9,676</u>	<u>7,156</u>	<u>2,157</u>	<u>18,989</u>
At 31 March 2013	<u>22,576</u>	<u>14,492</u>	<u>2,952</u>	<u>40,020</u>

**COVENTRY LAW CENTRE
(LIMITED BY GUARANTEE)**

Notes to the financial statements for the year ended 31 March 2014

9. Debtors	2014	2013
	£	£
Other debtors	49,016	52,121
VAT	13,663	-
Prepayments and accrued income	453,031	436,916
	<u>515,710</u>	<u>489,037</u>
	<u><u>515,710</u></u>	<u><u>489,037</u></u>
10. Creditors: amounts falling due within one year	2014	2013
	£	£
Trade creditors	36,698	23,743
Taxation and social security	22,290	22,447
VAT	-	1,019
Other creditors	119,041	21,663
Pension creditor	2,534	3,879
Accruals	104,820	147,093
Deferred income (10a)	75,508	164,936
	<u>360,891</u>	<u>384,780</u>
	<u><u>360,891</u></u>	<u><u>384,780</u></u>
10a. Deferred income	2014	2013
	£	£
Balance at 1 April 2013	164,936	114,748
Receipts in advance	45,000	131,624
Released to Statement of Financial Activities	(134,428)	(81,436)
	<u>75,508</u>	<u>164,936</u>
	<u><u>75,508</u></u>	<u><u>164,936</u></u>
These represent grants received relating to future periods.		
11. Creditors: amounts falling due after more than one year	2014	2013
	£	£
Other creditors	-	6,277
	<u>-</u>	<u>6,277</u>
	<u><u>-</u></u>	<u><u>6,277</u></u>
12. Commitments under operating leases		
At 31 March 2014 the charity had annual commitments under non-cancellable operating leases as set out below:		
	2014	2013
	£	£
Land and buildings		
Operating leases which expire:		
Within 2 to 5 years	38,000	38,700
	<u>38,000</u>	<u>38,700</u>
	<u><u>38,000</u></u>	<u><u>38,700</u></u>

**COVENTRY LAW CENTRE
(LIMITED BY GUARANTEE)**

Notes to the financial statements for the year ended 31 March 2014

13. Statement of funds

	Balance at 31 March 13 £	Incoming £	Outgoing £	Actuarial gain(loss) £	Balance at 31 March 14 £
Unrestricted funds:					
General reserve	(190,837)	912,529	(889,171)	311,000	143,521
Total unrestricted funds	(190,837)	912,529	(889,171)	311,000	143,521
Restricted funds:					
Legal Advice Booklet fund	167	-	(167)	-	-
Annual Report fund	2,083	-	(2,083)	-	-
CLS Development fund	115	-	(115)	-	-
Heart of England	198	-	(198)	-	-
Subscription fund	-	1,372	(1,372)	-	-
Whitefriars Housing Association	-	44,616	(43,641)	-	975
Coventry Building Society	-	15,000	(15,000)	-	-
Midland Legal Support Trust	1,131	-	(1,131)	-	-
The Baring Foundation 2007-2010	660	-	(660)	-	-
The Baring Foundation SVTS Independence Grant Project 2010-2013	-	20,006	(20,006)	-	-
The Baring Foundation STVS Future Advice Providers Fund 2012	-	61,188	(52,087)	-	9,101
Paul Hamlyn Young Migrant Rights Project	-	84,365	(66,635)	-	17,730
Scottish Power Energy Trust	-	27,900	(27,900)	-	-
Diana Princess of Wales – Strategic Legal Fund For Vulnerable Young Migrants	-	6,217	(6,217)	-	-
Coventry City Council – Troubled Families	-	12,370	(12,370)	-	-
Coventry City Council – Welfare Benefit	-	15,000	(15,000)	-	-
Coventry City Council – Multi Disciplinary Team Children and Families	-	33,260	(33,260)	-	-
Lankelly Chase	-	92,000	(86,100)	-	5,900
Healthwatch	-	21,692	(20,192)	-	1,500
Yardley Great Trust	-	5,500	(5,500)	-	-
Friends Hall Farm Street Trust	-	2,000	(1,167)	-	833
The Grimmitt Trust	-	5,000	(5,000)	-	-
Barrow Cadbury	-	30,000	(17,500)	-	12,500
Harry Payne	-	750	(750)	-	-
Access To Justice Foundation	-	10,000	(5,834)	-	4,166
DLA Piper	-	500	(500)	-	-
The Barings Foundation/Unbound Philanthropy	-	74,151	(35,706)	-	38,445
AB Charitable Trust	-	15,000	(2,500)	-	12,500
Total restricted funds	4,354	577,887	(478,591)	-	103,650
Total funds	(186,483)	1,490,416	(1,367,762)	311,000	247,171

The purposes of the majority of the restricted funds are outlined on page 9 in the Trustees' Report. The funds from Midland Legal Support Trust are for the purchase of computers and the purpose of the other small funds are as per their individual headings.

**COVENTRY LAW CENTRE
(LIMITED BY GUARANTEE)**

Notes to the financial statements for the year ended 31 March 2014

14. Analysis of net assets (between restricted and unrestricted funds)

	Restricted funds £	General funds £	Total £
Tangible fixed assets	-	18,989	18,989
Current assets	195,657	830,416	1,026,073
Current liabilities	(92,007)	(268,884)	(360,891)
Long-term liabilities	-	-	-
Defined benefit pension liability	-	(437,000)	(437,000)
	<u>103,650</u>	<u>143,521</u>	<u>247,171</u>

15. Company limited by guarantee

The company is limited by guarantee. There are presently 15 members whose liability in the event of a winding-up is limited to £1 each.

16. Pension commitments

Some of the charitable company's employees belong to the Local Government Pension Scheme (LGPS), a defined benefit scheme.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation related to the period ended 31 March 2013.

Contributions amounting to £2,534 (2013: £3,879) were payable to the scheme at 31 March 2014 and are included within creditors.

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 March 2014 was £31,631, of which employer's contributions totalled £24,441 and employees' contributions totalled £7,190. The agreed contribution rates for future years are 12% for employers and depending on salary 5.5%-7.5% for employees.

Principal Actuarial Assumptions

	2014	2013
Discount rate for scheme liabilities	4.50%	4.20%
Rate of increase in salaries	4.15%	4.15%
Rate of increase of pensions	2.40%	2.40%
Inflation assumption	2.40%	2.40%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

<i>Retiring today</i>	22.9	22.1
Males	25.5	24.8
Females		
<i>Retiring in 20 years</i>	25.1	23.9
Males	27.8	26.7
Females		

**COVENTRY LAW CENTRE
(LIMITED BY GUARANTEE)**

Notes to the financial statements for the year ended 31 March 2014

16. Pension commitments (continued)

The charitable company's share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected Rate of return	Value 2014 £'000	Expected Rate of return	Value 2013 £'000
Equities	7.00%	849	7.00%	629
Government Bonds	3.40%	119	2.80%	135
Other Bonds	4.30%	156	3.90%	179
Property	6.20%	131	5.70%	135
Cash/liquidity	0.50%	39	0.50%	33
Other	7.00%	162	7.00%	384
		<hr/>		<hr/>
Total market value of assets	5.98%	1,456	5.85%	1,495
Present value of scheme liabilities – Funded		(1,893)		(2,235)
		<hr/>		<hr/>
Surplus/(deficit) in the scheme		(437)		(740)
		<hr/>		<hr/>

To develop the expected long-term rate of return on assets assumption, the employer considered the current level of expected returns on risk free investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for future returns of each asset class. The expected return for each asset class was then weighted based on the asset allocation to develop the expected long-term rate of return on assets assumption for the portfolio. This resulted in the selection of the above assumptions.

The actual return on scheme assets was £45,000.

Amounts recognised in the statement of financial activities:	2014	2013 £'000	£'000
Current service cost		(26)	(28)
Past service cost		-	-
		<hr/>	<hr/>
Total operating charge		(26)	(28)
		<hr/>	<hr/>

Analysis of pension finance income/(Costs)

Expected return on pension scheme assets	88	82
Interest on pension scheme liabilities	(94)	(93)
	<hr/>	<hr/>
Net return	(6)	(11)
	<hr/>	<hr/>

The actuarial gains and losses for the current year are recognised in the statement of financial activities.

**COVENTRY LAW CENTRE
(LIMITED BY GUARANTEE)**

Notes to the financial statements for the year ended 31 March 2014

16. Pension commitments (continued)

	2014 £'000	2013 £'000
Change in benefit obligations		
Benefit obligation at 1 April 2013	2,235	1,847
Current service cost	26	28
Interest cost	94	93
Member contributions	7	11
Past service costs	-	-
Actuarial (gains)/losses	(448)	279
Benefits paid	(21)	(23)
	<u>1,893</u>	<u>2,235</u>
Change in plan assets		
Fair value of plan assets at 1 April 2013	1,495	1,313
Expected return on plan assets	88	82
Actuarial (gains)/losses	(137)	81
Employer contributions	24	31
Member contributions	7	11
Benefits paid	(21)	(23)
	<u>1,456</u>	<u>1,495</u>
Fair value of plan assets at 31 March 2014	<u>1,456</u>	<u>1,495</u>

The employer expects to contribute £31,000 in the year to 31 March 2015.

	2014 £'000	2013 £'000	2012 £'000	2011 £'000	2010 £'000
Five year history of experience adjustments					
Benefit obligation at year end	1,893	2,235	1,847	1,707	1,918
Fair value of plan assets at end of year	1,456	1,495	1,313	1,288	1,144
	<u>(437)</u>	<u>(740)</u>	<u>(534)</u>	<u>(419)</u>	<u>(774)</u>
Difference between the expected and actual return on scheme assets:					
Amount	(137)	81	(53)	76	211
Percentage of scheme assets	-9.4%	5.4%	-4.0%	5.9%	18.5%
Experience gains and losses on scheme liabilities:					
Amount	-	-	-	148	-
Percentage of scheme liabilities	0.0%	0.0%	0.0%	8.6%	0.0%
Total amount recognised in statement of total recognised gains and losses:					
Amount	311	(198)	(104)	420	(368)
Percentage of scheme liabilities	16.4%	24.6%	-8.9%	-5.6%	(19.2%)

**COVENTRY LAW CENTRE
(LIMITED BY GUARANTEE)**

Notes to the financial statements for the year ended 31 March 2014

17. Related party transactions

Whitefriars Housing Association is a related party of Coventry Law Centre Ltd as Counsellor Linda Bigham is a trustee of both organisations.

During the year ending 31 March 2014 income totalling £44,616 (2013: £42,232) was received from Whitefriars Housing Association.

**COVENTRY LAW CENTRE
(LIMITED BY GUARANTEE)**

**Income and expenditure account pre FRS 17
31 March 2014**

	2014	2013
	£	£
Income		
LSC	277,874	319,748
LSC – housing pilot	21,680	20,535
Disbursements and other profit costs	98,494	96,667
Coventry City Council – fund	475,272	475,272
Coventry City Council – social services	38,457	38,457
Donations	2,040	2,480
Miscellaneous income	-	31
Interest received	84	90
Big Lottery Fund grant	-	70,000
Whitefriars Housing Association	44,616	42,232
Homeless Prevention Project funded by Coventry Building Society	15,000	25,000
Coventry Building Society Mortgage Arrears Service	-	(300)
The Baring Foundation and Esme Fairbairn Foundation – Restructuring Fund 2011	-	22,414
The Baring Foundation STVS Independence Grant Project 2011-2013	20,006	18,981
The Baring Foundation STVS Future Advice Providers Fund 2012	61,188	9,312
Midland Legal Support Trust	-	5,000
British Gas Energy Trust	-	75,833
Paul Hamlyn Young Migrants Rights Project	84,365	35,635
Paul Hamlyn Arrivals Project	-	2,500
Scottish Power Energy Trust	27,900	8,100
Coventry City Council – Multi Disciplinary Team	24,500	17,150
Strategic Fund for Vulnerable Young Migrants	6,217	-
Coventry City Council – Troubled Families	12,370	-
Coventry City Council – Welfare Benefit	15,000	-
Coventry City Council MDT	8,760	-
Lankelly Chase	92,000	-
Healthwatch	21,692	-
Yardley Great Trust	5,500	-
Friends Hall Farm Street Trust	2,000	-
The Grimmitt Trust	5,000	-
Barrow Cadbury	30,000	-
Harry Payne	750	-
Access To Justice Foundation	10,000	-
DLA Piper	500	-
The Barings Foundation/Unbound Philanthropy	74,151	-
AB Charitable Trust	15,000	-
	<u>1,490,416</u>	<u>1,285,137</u>

**COVENTRY LAW CENTRE
(LIMITED BY GUARANTEE)**

**Income and expenditure account pre FRS 17
31 March 2014**

	2014	2013
	£	£
Expenditure	957,412	953,241
Salaries	-	3,443
Redundancy	2,889	2,274
Agency staff	38,766	38,662
Rent	20,318	14,900
Service charge	7,154	5,645
Telephone	22,381	23,654
Depreciation	20,131	15,485
Equipment maintenance and repairs	7,500	8,252
Insurance	15,132	11,898
Postage	3,831	4,850
Publications	8,197	6,094
Subscriptions	4,070	4,204
Printing and stationery	7,248	6,931
Photocopying	-	3,577
Advertising	2,083	-
Recruitment Advertising	3,472	1,913
Travel	10,297	11,616
Courses	35	1,539
Professional fees	-	1,650
SQM audit	5,540	5,135
Audit and accountancy	2,477	2,787
Citypay	107,814	97,962
Disbursements and court expenses	6,440	8,452
Miscellaneous	68	26
Bank charges	-	300
Compensation	3,000	995
The Baring Foundation STVS Independence Grant Project 2011-2013	-	187
The Baring Foundation STVS Future Advice Providers Fund 2012	-	10,000
Citizens Advice Bureau Homelessness Project	275	183
Whitefriars Housing	-	7,143
British Gas Energy Trust	26,062	10,323
Paul Hamlyn Young Migrant Rights Project	-	2,500
Paul Hamlyn Arrivals Project	-	482
Coventry City Council – Multidisciplinary Team	44,050	-
Lankelly Chase	2,560	-
Troubled Families	866	-
MDT	1,242	-
Scottish Power	75	-
Strategic legal	(210)	-
Court expenses	28,587	-
Birmingham Law Centre	-	-
	<u>1,359,762</u>	<u>1,266,303</u>
Surplus of income over expenditure	<u>130,654</u>	<u>18,834</u>

**COVENTRY LAW CENTRE
(LIMITED BY GUARANTEE)**

**Income and expenditure account post FRS 17
31 March 2014**

	2014	2013
	£	£
Income		
LSC	277,874	319,748
LSC – housing pilot	21,680	20,535
Disbursements and other profit costs	98,494	96,667
Coventry City Council – fund	475,272	475,272
Coventry City Council – social services	38,457	38,457
Donations	2,040	2,480
Miscellaneous income	-	31
Interest received	84	90
Big Lottery Fund grant	-	70,000
Whitefriars Housing Association	44,616	42,232
Homeless Prevention Project funded by Coventry Building Society	15,000	25,000
Coventry Building Society Mortgage Arrears Service	-	(300)
The Baring Foundation and Esme Fairbairn Foundation – Restructuring Fund 2011	-	22,414
The Baring Foundation STVS Independence Grant Project 2011-2013	20,006	18,981
The Baring Foundation STVS Future Advice Providers Fund 2012	61,188	9,312
Midland Legal Support Trust	-	5,000
British Gas Energy Trust	-	75,833
Paul Hamlyn Young Migrants Rights Project	84,365	35,635
Paul Hamlyn Arrivals Project	-	2,500
Scottish Power Energy Trust	27,900	8,100
Coventry City Council – Multi Disciplinary Team	24,500	17,150
Strategic Fund for Vulnerable Young Migrants	6,217	-
Coventry City Council – Troubled Families	12,370	-
Coventry City Council – Welfare Benefit	15,000	-
Coventry City Council MDT	8,760	-
Lankelly Chase	92,000	-
Healthwatch	21,692	-
Yardley Great Trust	5,500	-
Friends Hall Farm Street Trust	2,000	-
The Grimmitt Trust	5,000	-
Barrow Cadbury	30,000	-
Harry Payne	750	-
Access To Justice Foundation	10,000	-
DLA Piper	500	-
The Barings Foundation/Unbound Philanthropy	74,151	-
AB Charitable Trust	15,000	-
	<u>1,490,416</u>	<u>1,285,137</u>

**COVENTRY LAW CENTRE
(LIMITED BY GUARANTEE)**

**Income and expenditure account post FRS 17
31 March 2014**

	2014	2013
	£	£
Expenditure		
Salaries	928,040	916,947
Redundancy	-	3,443
Agency staff	2,889	2,274
Cost of FRS 17 information	2,100	1,900
Pension fund operating charge	29,272	31,394
Pension fund finance charge	6,000	11,000
Rent	38,766	38,662
Service charge	20,318	14,900
Telephone	7,154	5,645
Depreciation	22,381	23,654
Equipment maintenance and repairs	20,131	15,485
Insurance	7,500	8,252
Postage	15,132	11,898
Publications	3,831	4,850
Subscriptions	8,197	6,094
Printing and stationery	4,070	4,204
Photocopying	7,248	6,931
Advertising	-	3,577
Recruitment Advertising	2,083	-
Travel	3,472	1,913
Courses	10,297	11,616
Legal fees	-	-
Professional fees	35	1,539
SQM audit	-	1,650
Audit and accountancy	5,540	5,135
Citypay	2,477	2,787
Disbursements and court expenses	107,814	97,962
Miscellaneous	6,440	8,452
Bank charges	68	26
Compensation	-	300
The Baring Foundation STVS Independence Grant Project 2011-2013	3,000	995
The Baring Foundation STVS Future Advice Providers Fund 2012	-	187
Citizens Advice Bureau Homelessness Project	-	10,000
Whitefriars Housing	275	183
British Gas Energy Trust	-	7,143
Paul Hamlyn Young Migrant Rights Project	26,062	10,323
Paul Hamlyn Arrivals Project	-	2,500
Coventry City Council – Multidisciplinary Team	-	482
Justice for All March 3 rd June	-	-
Lankelly Chase	44,050	-
Troubled Families	2,560	-
MDT	866	-
Scottish Power	1,242	-
Strategic legal	75	-
Court expenses	(210)	-
Birmingham Law Centre	28,587	-
	<u>1,367,762</u>	<u>1,274,303</u>
Surplus of income over expenditure	<u>122,654</u>	<u>10,834</u>