

Company Number: 4149673  
Charity Number: 1087312

Chantrey Vellacott DFK LLP

COVENTRY LAW CENTRE LTD

FINANCIAL STATEMENTS

31 MARCH 2005

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

**Financial Statements for the year ended 31 March 2005**

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

**Legal and administrative information**

<b>Trustees</b>	R J Mason A Williams A C Sharpe S Malhotra K Foster J Whyman D Stewart T Roxburgh
<b>Company Secretary</b>	S Bent
<b>Registered Office</b>	The Bridge Broadgate Coventry CV1 1NG
<b>Auditors</b>	Chantrey Vellacott DFK LLP Chartered Accountants & Registered Auditors Derngate Mews Derngate Northampton NN1 1UE
<b>Bankers</b>	Bank of Scotland 55 Temple Row Birmingham B2 5LS
<b>Company Number</b>	4149673
<b>Charity Number</b>	1087312

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

**Trustees Annual Report  
for the year ended 31 March 2005**

The trustees have pleasure in presenting their report and the financial statements of the charity for the year ended 31 March 2005.

**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.

**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.

**Object of the Charity**

The objects of the charity are as follows, covering three key areas:

1. 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;
2. The advancement of education of the public by the improvement and diffusion of knowledge of the law and the practice 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;
3. To promote such other charitable purposes as are for the benefit of the people of the City of Coventry.

**Organisation**

The trustees are the company directors, elected in thirds each year for three-year terms, by the wider membership at the AGM. The trustees are responsible for establishing the policy framework for the charity to ensure that it delivers services that meet its objects. A director who is also the company secretary is appointed by the trustees to advise on policy issues and take responsibility for the day to day implementation of the Law Centre's policy and the running of the charity.

The director is responsible to the trustees through monthly trustee meetings and a policy framework.

**Investment powers and restrictions**

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 reserves and 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.

**Review of developments, activities and achievements**

The charity has continued to achieve its objectives in line with the Memorandum of Association.

At the start of the year, supported by funding from the Big Lottery we extended our services to cover mental health and community care. Whilst our specialist mental health solicitor left part way through the year, and we were unable to recruit a replacement, our service in community care has been very successful and expanded rapidly. We now have two caseworkers in the area of law and we are able to offer advice to those living with mental health problems in the community through the community care team.

We were successful in obtaining a grant from the Legal Services Commission to employ a trainee solicitor. This has enabled us to support two trainees: one is an existing member of staff who now has a training contract and the other was recruited. We see this as making a vital contribution to generating expertise in social welfare law, an area where experienced lawyers are becoming scarcer.

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**Trustees Annual Report  
for the year ended 31 March 2005**

This expansion has supported a significant increase in the number of cases we have managed: over a 50% increase from 1004 in 2003/04 to 1559 in 2004/05. In addition, the numbers of clients calling our advice lines continues to rise, and this general advice service has been expanded by the establishment of open days and surgeries at partner organisations. Our website continues to grow in popularity with the number of visitors to it growing. This year has shown a 60% increase to 20,003 unique visitors, and 72,784 page views.

However, despite these successes, a combination of factors, including sickness and staff turnover, meant that we did not achieve our casework income targets for the year.

The charity, therefore, reports an overall deficit of £31,651 for the year on its restricted and unrestricted activities. To address this situation and to enable a budget to be set for 2005/06 which will generate some surpluses, some restructuring of staffing resources took place towards the end of the year. Further work to increase efficiency and achieve growth in income will be undertaken during 2005/06, and the Trustees are confident that this approach will enable the charity to rebuild its financial strength, while maintaining its reputation for high quality service delivery.

The Trustees have reviewed the unrestricted and designated funds position and have adjusted these as reported in the reserves policy.

The Trustees wish to thank the charity's key funders; Coventry City Council, the Legal Services Commission and the Big Lottery. Strong partnerships with these organisations and others continue to be vital in enabling the charity to achieve its objectives.

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 revalued earnings. Details of the pension scheme are included in note 18 of the financial statements.

**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: a fixed asset reserve (FAR) to represent the amount of charity funds required for the planned replacement of current operational fixed assets; an emergency operating reserve (EOR) 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 (RR) in the event of a reduction or close down in service provision due to damaging circumstances.

The trustees believe that the level of FAR should be set at £130,503, reflecting the replacement costs of assets in use; that the minimum level of the EOR should be the equivalent level of three months operating costs, currently £209,267, calculated and reviewed annually; and that the RR should reflect existing redundancy costs, currently £42,592.

However, the reserves fall far short of the above mentioned total target of £382,362.

A total of £80,994 was set aside at the start of the year as designated funds. The General Reserve shows a negative balance of £22,271 following the deficit transfer.

The Trustees therefore decided that it was appropriate to redistribute the total fund balances to ensure that the General Reserve fund allows operational contingencies to be met.

Consequently, all the designated funds have been transferred into the General Reserve, giving a year end balance of £64,627.

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**Trustees Annual Report  
for the year ended 31 March 2005**

Efforts to build up reserves will continue in line with this policy, although Trustees anticipate that this will take a ten to fifteen year period to achieve.

Trustees will continue to monitor and review the policy on an annual basis, but it is unlikely that any designated funds will be built up until the General Reserve reaches 3-6 months operating costs to ensure continuity of service.

**The Trustees**

The trustees who served on the charity during the year and up to the date of this report:

Mr D H Edwards – resigned 30 June 2004

Mrs R J Mason

Mr A Williams

Mr A C Sharpe

Mr S Malhotra

Ms A F Donnelly (Treasurer) – resigned 22 March 2005

Mr K Foster – appointed 12 November 2004

Mrs J Whyman – appointed 12 November 2004

Mr D Stewart – appointed 26 April 2005

Mrs T Roxburgh – appointed 12 November 2004

**Trustee's Responsibilities**

The trustees are required by company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity at the end of the period and the incoming and outgoing resources for the period 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 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 statements comply with the Companies Act 1985. 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 trustees have revisited the risk assessment completed last year and the register of risk has been updated. Staff and trustees have been involved in this process and it will continue during the year as further changes take place.

**Auditors**


A resolution to re-appoint Chantrey Vellacott DFK LLP as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

**Small Company Provisions**

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered Office:  
The Bridge  
Broadgate  
Coventry  
CV1 1NG

Signed by Order of the Trustees



Sue Bent  
Company Secretary

Approved by the trustees on 25 August 2005

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

**Independent Auditors' Report To The Members**

We have audited the financial statements of Coventry Law Centre Ltd for the year ended 31 March 2005 which comprise the Statement of Financial Activities, the Balance Sheet and related notes. These Financial Statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the Coventry Law Centre's members, as a body, in accordance with section 235 of the Companies Act 1985 and section 43 of the Charities Act 1993. Our audit work has been undertaken so that we might state to the Coventry Law Centre'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 Coventry Law Centre and its' members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of trustees and auditors**

The trustees' (who are also the directors of Coventry Law Centre Ltd) responsibilities for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Trustees' Responsibilities. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charitable company is not disclosed.

We read other information contained in the Trustees' Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

**Basis of opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board of the Financial Reporting Council. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

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 2005 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



**CHANTREY VELLACOTT DFK LLP**

**NORTHAMPTON**  
25 August 2005

**COVENTRY LAW CENTRE LTD  
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**Statement of financial activities (including income and expenditure account)  
for the year ended 31 March 2005**

	Note	Unrestricted funds £	Restricted funds £	Total funds 31 March 05 £	Total funds 31 March 04 £
<b>Incoming resources</b>					
Donations	2	1,130	780	1,910	985
<b>Activities to further the charity's objectives</b>					
Grants and contracts receivable	3	712,923	75,748	788,671	680,280
<b>Other activities to generate funds</b>					
Income from charitable trading activities	4	2,460	-	2,460	9,505
Interest receivable		1,784	-	1,784	1,572
<b>Total incoming resources</b>		<b>£718,297</b>	<b>£76,528</b>	<b>£794,825</b>	<b>£692,342</b>
<b>Resources expended</b>					
<b>Cost of generating funds:</b>					
Fund raising and publicity		4,288	1,000	5,288	30
<b>Charitable expenditure:</b>					
Costs in furtherance of charitable objectives		591,127	80,928	672,055	561,662
Management and administration		147,008	2,125	149,133	115,850
<b>Total resources expended</b>	5	<b>£742,423</b>	<b>£84,053</b>	<b>£826,476</b>	<b>£677,542</b>
<b>Net incoming resources for the year</b>		<b>(24,126)</b>	<b>(7,525)</b>	<b>(31,651)</b>	<b>14,800</b>
Transfers between funds		(1,621)	1,621	-	-
Balance brought forward		90,374	42,971	133,345	118,545
<b>Balances carried forward</b>	15	<b>£64,627</b>	<b>£37,067</b>	<b>£101,694</b>	<b>£133,345</b>

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 8 to 16 form part of these financial statements.



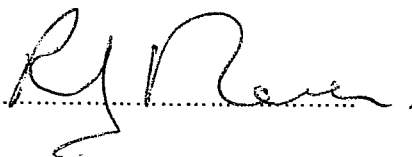
**COVENTRY LAW CENTRE LTD  
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**Balance Sheet 31 March 2005**

	Note	£	2005 £	£	2004 £
<b>Fixed assets</b>					
Tangible fixed assets	9		36,887		61,142
<b>Current assets</b>					
Work in progress	1(f)	78,666		62,108	
Debtors	10	43,544		29,483	
Cash at bank and in hand		29,838		39,532	
		<u>152,048</u>		<u>131,123</u>	
<b>Creditors: amounts falling due within one year</b>	11	<u>(87,241)</u>		<u>(53,270)</u>	
<b>Net current assets</b>			<u>64,807</u>		<u>77,853</u>
<b>Total assets less current liabilities</b>			101,694		138,995
<b>Creditors: amounts falling due after more than one year</b>	12		-		<u>(5,650)</u>
<b>Net assets</b>			<u>£101,694</u>		<u>£133,345</u>
<b>Funds</b>					
Unrestricted:					
Designated			-		80,994
General			64,627		9,380
Restricted			<u>37,067</u>		<u>42,971</u>
<b>Total funds</b>	15		<u>£101,694</u>		<u>£133,345</u>

These financial statements were approved by the board of trustees on 25 August 2005 and are signed on their behalf by:

.....  
R MASON  
Director



The notes on pages 8 to 16 form part of these financial statements.

**COVENTRY LAW CENTRE LTD  
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**Notes to the financial statements for the year ended 31 March 2005**

**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 2000), and the Companies Act 1985 and the Financial Reporting Standard for Smaller entities (effective June 2002).

**(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. The income from these is shown exclusive of Value Added Tax, where applicable.

**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**

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 incurring resources in the period for which it has been received. Investment income and other income is included in the SOFA in the year in which it is receivable.

**(d) Resources expended and basis of allocation of costs**

Expenditure is included when incurred.

Grants payable are charged in the year they become payable. Other resources expended are allocated directly to the particular activity where the cost relates to that activity. However certain overhead and administrative costs are apportioned to each activity based on an estimate of staff time attributable to each activity.

**(e) 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	-	33 <sup>1</sup> / <sub>3</sub> % and 50% on cost
Office equipment	-	20% and 25% on cost
Property improvements	-	20% on cost

**(f) Work in progress**

Work in progress is valued at the lower of cost or net realisable value.

**(g) Hire purchase agreements**

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of future payments is treated as a liability and the interest is charged to the SOFA on a straight line basis.

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**Notes to the financial statements for the year ended 31 March 2005**

**1. Accounting policies (continued)**

(h) **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.

(i) **Pension costs**

The charity is an admitted body member of the West Midlands Metropolitan Authorities Pension Fund. The fund is a multi-employer pension scheme providing benefits based on career averaged revalued earnings. The charity's pension contributions are determined by a qualified actuary on the basis of triennial valuations. Contributions to the scheme are charged in the Statement of Financial Activities as they become payable.

(j) **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. Donations**

	Unrestricted funds £	Restricted funds £	Total funds 31 March 05 £	Total funds 31 March 04 £
Donations	1,130	780	1,910	985
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**3. Grants and contracts receivable**

	Unrestricted funds £	Restricted funds £	Total funds 31 March 05 £	Total funds 31 March 04 £
Coventry City Council	413,214	-	413,214	398,917
Legal Services Commission	196,965	5,260	202,225	139,398
Legal Services Commission – housing pilot	22,934	-	22,934	18,721
Coventry City Council – Social Services	33,229	-	33,229	32,289
Big Lottery Fund	-	70,488	70,488	54,907
Disbursements and profit costs	30,023	-	30,023	47,597
Movement in valuation of work in progress	16,558	-	16,558	(11,549)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	<u>£712,923</u>	<u>£75,748</u>	<u>£788,671</u>	<u>£680,280</u>

**COVENTRY LAW CENTRE LTD  
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Notes to the financial statements for the period ended 31 March 2005

**4. Income from charitable trading activities**

	Unrestricted funds £	Restricted funds £	Total funds 31 March 05 £	Total funds 31 March 04 £
Training courses	2,460	-	2,460	9,505
	<u>£2,460</u>	<u>£-</u>	<u>£2,460</u>	<u>£9,505</u>

**5. Analysis of total resources expended**

	Staff costs £	Premises costs £	Other costs £	Depreciation £	Total 31 March 05 £	Total 31 March 04 £
<b>Cost of generating funds</b>						
Fundraising and publicity	-	-	5,288	-	5,288	30
<b>Charitable expenditure</b>						
Legal	176,577	14,204	71,827	7,494	270,102	178,406
Advice and information	258,528	20,805	30,338	10,978	320,649	324,205
Support costs	69,216	5,569	3,581	2,938	81,304	59,051
Management and administration	116,317	9,364	18,511	4,941	149,133	115,850
	<u>£620,638</u>	<u>£49,942</u>	<u>£129,545</u>	<u>£26,351</u>	<u>£826,476</u>	<u>£677,542</u>

The charity incurred a cost of £6,150 (2003: £4,559) for professional indemnity insurance in relation to its charitable objectives, trustee indemnity is also included within the insurance.

**6. Net incoming resources for the year**

This is stated after charging

	Total 31 March 05 £	Total 31 March 04 £
Depreciation	26,352	28,187
Operating lease costs – property	35,000	35,000
Auditors' remuneration:		
As Auditors	2,600	2,600
Under provision in prior year	509	675
Other services	-	491
	<u>          </u>	<u>          </u>

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**Notes to the financial statements for the period ended 31 March 2005**

**7. Staff costs and numbers**

The aggregate payroll costs were as follows:

	Total 31 March 05 £	Total 31 March 04 £
Salaries and wages	551,532	413,066
Social Security costs	45,039	31,456
Pension costs	24,067	19,825
	<u>£620,638</u>	<u>£464,347</u>

No employee earned salary at a rate above £50,000 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:

	2005 No.	2004 No.
Administrative staff	4	4
Legal and advisory staff	20	15
	<u>24</u>	<u>19</u>

**8. Taxation**

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

**9. Tangible fixed assets**

	Property improvements £	Computer equipment £	Office equipment £	Total £
<b>Cost</b>				
At 1 April 2004	64,047	40,287	20,618	124,952
Additions	-	717	1,464	2,181
Disposals	-	-	(85)	(85)
	<u>64,047</u>	<u>41,004</u>	<u>21,997</u>	<u>127,048</u>
At 31 March 2005	64,047	41,004	21,997	127,048
<b>Depreciation</b>				
At 1 April 2004	25,671	27,602	10,537	63,810
Charge for the period	12,809	9,130	4,412	26,352
	<u>38,480</u>	<u>36,732</u>	<u>14,949</u>	<u>90,161</u>
At 31 March 2005	38,480	36,732	14,949	90,161
<b>Net book value</b>				
At 31 March 2005	<u>£25,567</u>	<u>£4,272</u>	<u>£7,048</u>	<u>£36,887</u>
At 31 March 2004	<u>£38,376</u>	<u>£12,685</u>	<u>£10,081</u>	<u>£61,142</u>

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**Notes to the financial statements for the period ended 31 March 2005**

**9. Tangible fixed assets (continued)**

**Hire purchase agreements**

Included within the net book value of £36,886 (2004 : £61,142) is £1,728 (2004 : £8,034) relating to assets held under hire purchase agreements. The depreciation charged to the accounts in the period in respect of such assets amounted to £6,306 (2004 : £6,306).

**10. Debtors**

	<b>31 March 05</b>	<b>31 March 04</b>
	£	£
Other debtors	8,242	9,972
Prepayments	35,302	19,511
	<u>          </u>	<u>          </u>
	<b>£43,544</b>	<b>£29,483</b>
	<u>          </u>	<u>          </u>

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

	<b>31 March 05</b>	<b>31 March 04</b>
	£	£
Taxation and social security	12,087	11,528
VAT	13,310	7,554
Hire purchase agreements	4,095	6,090
Other creditors	12,459	3,278
Accruals	41,165	19,412
Grants received in advance	2,569	3,075
Bank loans	1,556	2,333
	<u>          </u>	<u>          </u>
	<b>£87,241</b>	<b>£53,270</b>
	<u>          </u>	<u>          </u>

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

	<b>31 March 05</b>	<b>31 March 04</b>
	£	£
Hire purchase agreements	-	4,095
Bank loans	-	1,555
	<u>          </u>	<u>          </u>
	<b>£-</b>	<b>£5,650</b>
	<u>          </u>	<u>          </u>

**13. Commitments under hire purchase agreements**

Future commitments under hire purchase agreements are as follows:

	<b>31 March 05</b>	<b>31 March 04</b>
	£	£
Amounts payable within 1 year	4,807	7,178
Amounts payable between 2 to 5 years	-	4,808
	<u>          </u>	<u>          </u>
	4,807	11,986
Less interest and finance charges relating to future periods	(712)	(1,801)
	<u>          </u>	<u>          </u>
	<b>£4,095</b>	<b>£10,185</b>
	<u>          </u>	<u>          </u>

The liabilities under hire purchase are secured upon the assets to which they relate.

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**Notes to the financial statements for the period ended 31 March 2005**

**14. Commitments under operating leases**

At 31 March 2005 the charity had annual commitments under non-cancellable operating leases as set out below:

	2005 £	2004 £
<b>Land and buildings</b>		
<b>Operating leases which expire:</b>		
Within 2 to 5 years	35,000	35,000

**15. Statement of funds**

	Balance at 1 April 2004 £	Incoming £	Outgoing £	Transfers £	Balance at 31 March 05 £
<b>Unrestricted funds:</b>					
<b>General reserve</b>	9,380	718,297	(742,423)	79,373	64,627
<b>Designated funds</b>					
Fixed asset replacement	39,085	-	-	(39,085)	-
Emergency operating reserve	30,479	-	-	(30,479)	-
Redundancy reserve	11,430	-	-	(11,430)	-
<b>Total unrestricted funds</b>	<u>£90,374</u>	<u>£718,297</u>	<u>£(742,423)</u>	<u>£(1,621)</u>	<u>£64,627</u>
<b>Restricted funds:</b>					
Refurbishment fund	12,218	-	(4,247)	-	7,971
Big Lottery fund	29,355	70,488	(75,171)	1,621	26,293
SME2SME fund	1,333	-	(667)	-	666
Legal Advice Booklet fund	65	780	-	-	845
CLS Development fund	-	1,600	(308)	-	1,292
LSC Law for all partnership fund	-	1,000	(1,000)	-	-
LSC Training Support fund	-	2,660	(2,660)	-	-
<b>Total restricted funds</b>	<u>£42,971</u>	<u>£76,528</u>	<u>£(84,053)</u>	<u>£1,621</u>	<u>£37,067</u>
<b>Total funds</b>	<u>£133,345</u>	<u>£794,825</u>	<u>£(826,476)</u>	<u>£ -</u>	<u>£101,694</u>

The purpose of the designated funds are detailed in the Reserves Policy as part of the Trustees' Report – see page 3.

The Refurbishment fund represents a grant from Coventry City Council for the purpose of major refurbishment and repairs to the working environment of Coventry Law Centre Ltd.

The Big Lottery fund represents funding for two solicitors specialising in mental health and community care law.

The SME2SME fund represents funding towards the improved internet site.

The Legal Advice Booklet fund represents a restricted donation specifically for the production of a legal advice booklet.

**COVENTRY LAW CENTRE LTD  
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**Notes to the financial statements for the period ended 31 March 2005**

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

	<b>Restricted funds</b>	<b>Designated funds</b>	<b>General funds</b>	<b>Total</b>
	£	£	£	£
Tangible fixed assets	11,882	-	25,005	36,887
Current assets	25,185	-	131,950	157,135
Current liabilities	-	-	(92,328)	(92,328)
	<u>£37,067</u>	<u>£ -</u>	<u>£64,627</u>	<u>£101,694</u>

**17. 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.

**18. Pension commitments**

The company participates in a multi-employer pension scheme providing benefits based upon final salary and length of qualifying service. The company's pension contributions are determined by a qualified actuary on the basis of triennial valuations.

The company's pension cost for the period amounted to £24,067 (2004: £19,825). After taking into account the scheme's funding position, the company has agreed to pay contributions at the rate of 5.5% of pensionable salaries.



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**Notes to the financial statements for the period ended 31 March 2005**

**18. Pension commitments (continued)**

The major assumptions used in these valuations were:

	<b>2005</b>	<b>2004</b>
Rate of increase in salaries	4.40%	4.30%
Rate of increase of pensions in payment	2.90%	2.80%
Discount rate	5.40%	5.50%
Inflation assumption	2.90%	2.80%

Under the transitional provisions of Financial Reporting Standard 17 Retirement Benefits, the following information is disclosed as a note to the accounts but none of the amounts have been recognised in the primary statements in these financial statements.

On the FRS 17 basis the financial positions of the scheme and the expected rates of return were:

	Rate of return 2005	Value 2005 £'000	Rate of return 2004	Value 2004 £'000
Equities	7.50%	345	7.50%	307
Government Bonds	4.70%	45	4.70%	39
Other Bonds	5.40%	29	5.50%	16
Property	6.50%	33	6.50%	29
Other	4.00%	32	4.00%	10
		<hr/>		<hr/>
Total market value of assets		463		401
Present value of scheme liabilities		(651)		(540)
		<hr/>		<hr/>
Deficit in the scheme		£(188)		£(139)
		<hr/> <hr/>		<hr/> <hr/>

**Components of defined benefit cost for the year ended 31 March 2005**

<b>Analysis of the amount that would be chargeable to operating profit:</b>	<b>2005 £'000</b>
Current service cost	(61)
Past service cost	-
	<hr/>
Total operating charge	£(61)
	<hr/> <hr/>
<b>Analysis of the amount that would be credited to other finance income</b>	<b>2005 £'000</b>
Expected return on pension scheme assets	29
Interest on pension scheme liabilities	(31)
	<hr/>
Net return	£(2)
	<hr/> <hr/>