

Company Number: 4149673
Charity Number: 1087312

Chantrey Vellacott DEKLLP

COVENTRY LAW CENTRE LTD

FINANCIAL STATEMENTS

31 MARCH 2010

COVENTRY LAW CENTRE LTD
(LIMITED BY GUARANTEE)

Financial Statements for the year ended 31 March 2010

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

**Trustees' Annual Report
for the year ended 31 March 2010**

Legal and administrative information

Trustees

R J Mason
J Whyman
T Roxburgh
Prof. H Bahra
R G Hughes
Councillor L J Bigham

**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
Derngate Mews
Derngate
Northampton
NN1 1UE

Bankers

Bank of Scotland
55 Temple Row
Birmingham
B2 5LS

Company Number

4149673

Charity Number

1087312

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

**Trustees' Annual Report
for the year ended 31 March 2010**

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.

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.

Roger Hughes and Linda Bigham 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 intends to recruit an additional Trustee during the coming year 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.

- *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

In the coming year, training sessions will 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.

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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 monthly 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 Legal Services Commission 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 LSC or the charity's other main funder, Coventry City Council. Pro-active management of these relationships has been established as the approach to managing these risks. In addition, the charity has been preparing for the tendering exercise to be run by the Legal Services Commission in the coming year. This will impact on the future of all Legal Services Commission funded work and so the charity has made it a priority to understand and prepare for the requirements that the Legal Services Commission will impose, in order to maximize its likely success rate.

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' Federation. 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 Law Centres' Federation is a national voice for law centres, and has been successful in attracting funding to enable law centres to develop new areas of work.

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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 strategy for advice services in Coventry, which has been adopted by Coventry City Council. Membership of the group offers an opportunity to improve links and working arrangements with other agencies, which in turn, improves services for clients. The strategy supports the development of services to meet identified need and has enabled additional funding, from the Neighbourhood Renewal Fund, Big Lottery and The Baring Foundation to be drawn into the advice sector in Coventry. These sources of funding are for projects delivered jointly by the Partnership, and managed by the Director of the Law Centre.

The Director is also the chair of the Equalities and Community Cohesion Theme Group of the Coventry Partnership. This role supports and complements the Law Centre's equalities work that is funded by the Equalities and Human Rights Commission.

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.

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 2008-11, 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.

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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 2009/10 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 2008-2011 were:

- The need to ensure that existing services are sustained, in the context of significant proposals from the Legal Services Commission to change arrangements for letting contracts
- The need to continue to demonstrate value for money to the Local Authority in order to preserve our grant funding at a time of increasing pressure on local authority finances
- Predicted growth in the population of Coventry potentially increasing demand for our assistance

Accordingly, the charity has four strategic aims for 2008- 2011

- Consolidating and strengthening our existing advice and representation services, and evolving and expanding these to meet the changing needs of the population
- Developing new services to meet identified gaps in provision
- Ensuring that we play a leading and shaping role in partnership working within Coventry, allowing the charity to make its services more accessible, ensuring that our services complement those of other partners, and that any duplication is removed
- Maintaining and developing the profile and reputation of the Law Centre within Coventry, and using this to enhance rights awareness amongst the population, particularly amongst those who are most vulnerable and socially excluded

The main activities that we have undertaken in pursuit of these aims during 2009/10 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.

Coventry, with 309,800 residents, is the eleventh largest city in the UK. It is the centre of a sub-region serving half a million people.

The Sustainable Community Strategy, produced by Coventry Partnership, highlights the following facts about the city:

- Coventry has a younger population than the average for England with 24% under 18 years of age and 35% under 24. The percentage of Coventry's population that is over 65 is 16%, lower than the national average. However, the city has an increasing number of people over 80.

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- Life expectancy in Coventry is increasing and the city currently has 6,200 people aged over 85 (2006 estimate) a group that is expected to grow to 6,800 by 2011 and to 7,700 by 2021 (Office of National Statistics projection).
- The city is ethnically diverse, with 22% of Coventry's inhabitants coming from minority ethnic communities compared to 13% for England as a whole. About a quarter of the children in Coventry's schools are from minority ethnic backgrounds. Asian and Asian British communities together make up 11.3% of the city's population of whom 8.0% have an Indian background. The next largest minority group people with a White Irish background who make up 3.5% of the population. Coventry's population with a Black or Black British background is 1.8% - slightly lower than the English average of 2.3%.
- Newer communities settling in Coventry in the last ten years include Somalian, Kurdish, Afghani and Iraqi groups. The city is also currently benefiting from economic migrants from the new accession states in the European Union, including Poland. There are over 100 languages spoken in Coventry.
- The city has a variety of faith communities. These include 65% who identify themselves as Christian, 4.6% Sikh, 3.9% Muslim and 2.6% Hindu. Fifteen per cent of Coventry's population say that they follow no religion.
- Coventry had improved its position to 64th in the Index of Deprivation in 2004. However, there is still concern about absolute deprivation levels and the differences between the more affluent and less well off neighbourhoods in Coventry. The position of local concentrations of deprivation in the city had worsened in that period, showing an increasing gap between those who are poor and rich in the city. One Coventry neighbourhood was ranked 40th nationally in terms of overall deprivation, and 6th in terms of income deprivation.
- The Coventry Partnership has identified 31 priority neighbourhoods in the city that are the most disadvantaged.
- There is significant contrast in the distribution of incomes across the city, with the poorest households receiving under £14,639 pa compared to the richest earning over £78,575 (CACI 2007). A quarter of households within the city have incomes below £16,836 and a quarter of households have income above £41,047.
- The economic recession has caused sharp rises in unemployment rates, WITH 15.2% of the population was claiming out of work benefits (Job Seekers Allowance, Lone Parent Benefit or Incapacity Benefit) in August 2009. These people are clustered in disadvantaged neighbourhoods with the lowest rate in any neighbourhood being 0.6% and the highest being 43.5%
- Car ownership in Coventry is lower than the national average, with one third of households with no car.

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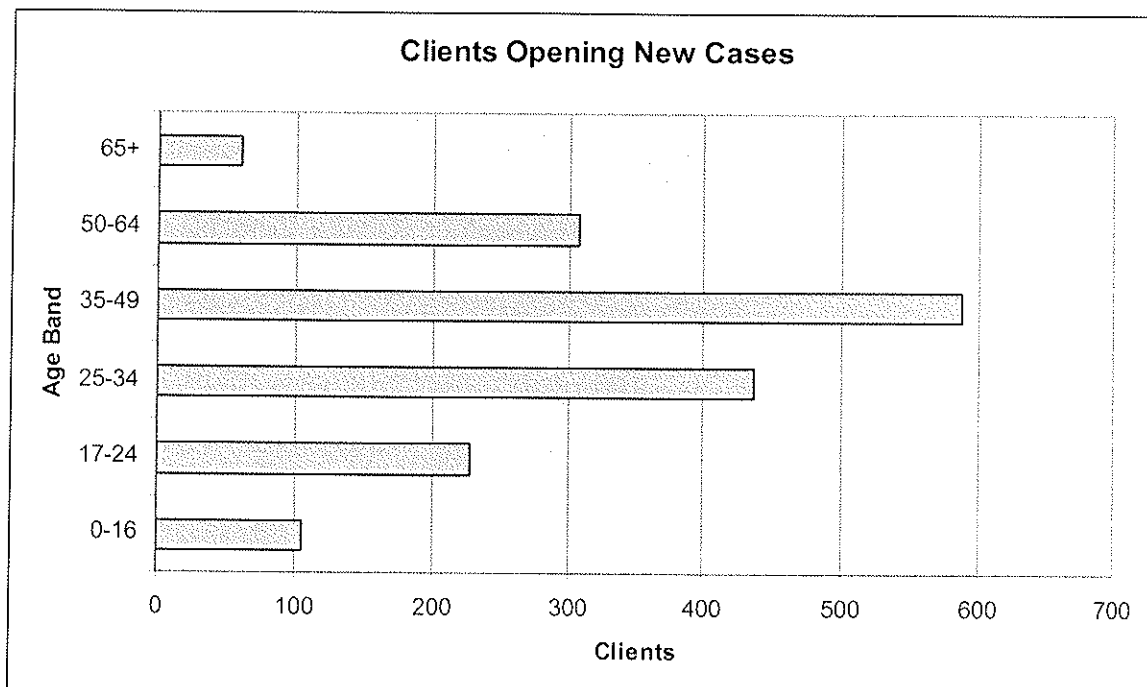
- Life expectancy in the city for women is increasing slowly but has fallen for men and the difference in life expectancy between the most affluent and disadvantaged remains high, with an overall gap in life expectancy of 5.1 years for men and 5.9 years for women between priority neighbourhoods and the rest of city.
- The Sustainable Community Strategy states that there is a range of communities in Coventry that may experience disadvantage that do not necessarily have a geographical focus. These communities of interest include:

- Carers
- Ex-offenders
- Homeless people
- Looked after children and young people (children and young people in the care of social services)
- Older people experiencing isolation and poverty
- People experiencing mental ill health
- People from the most disadvantaged black and minority ethnic groups
- People with physical or sensory impairment
- People with learning disabilities
- Refugees and asylum seekers
- Teenage parents and their children
- Women and children experiencing domestic violence
- Young people not in education, employment or training

The Law Centre prioritises its services for those who live in Coventry's 31 priority neighbourhoods, for those who are disabled or have physical or mental health problems, and prioritises cases where discrimination is a factor.

This is reflected in the profile of our clients last year – 2009/109.

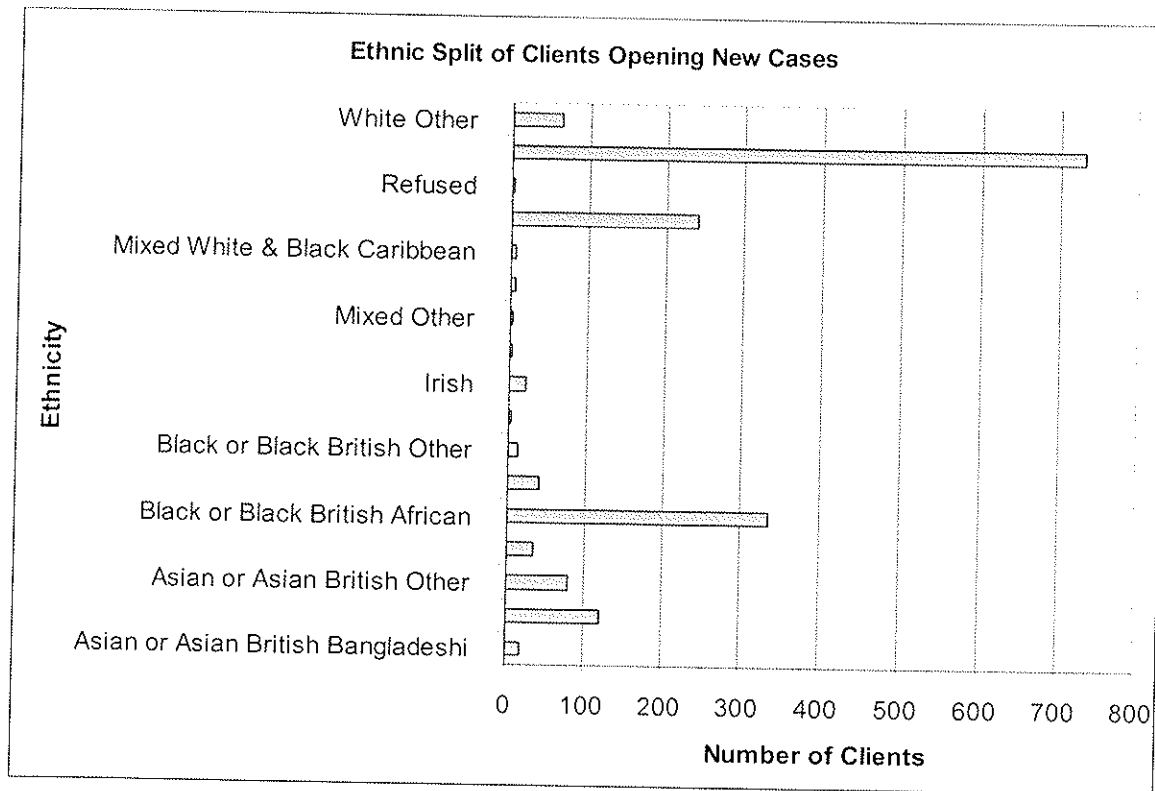
Though the age groups most likely to be economically active form the largest proportion of our client base,



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in fact 87% were not working and 16.3% were disabled.

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



Achievements and performance

Provision of advice and representation

During 2009/10, we received just over £411,000 from the Legal Services Commission to undertake casework for those people who are eligible for legal aid, and just over £510,000 from Coventry City Council, which allows us to undertake work that is not funded by the LSC.

In addition, we

- Received £55,000 funding from the Equalities and Human Rights Commission, which allowed us to continue discrimination casework.
- Received £13,750 from Coventry Building Society, just over £16,000 from Coventry Cyrenians and £37,225 from Whitefriars Housing. This enabled us to establish a new debt advice service focusing on housing related debt. We set up a team of two caseworkers, with one concentrating solely on providing debt advice to tenants of Whitefriars Housing and the other providing advice to clients of Coventry Cyrenians, who work with homeless people, as well as assisting others who may be in mortgage or rent arrears. This new service has proved particularly valuable as increasing numbers of people have sought help with debt problems because of the impact of the economic recession.

We offer free advice and representation in each area of law. We will assist those people eligible for legal aid funding as well as those who cannot afford to pay for legal advice but whose finances take them outside the

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legal aid limits. We advise residents of Coventry and those who work in the city only (except for discrimination issues, where we will assist people across the West Midlands region).

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

The breadth of areas of law covered enables us to provide a holistic service that offers a pathway out of social exclusion.

During 2009/10:

We maintained overall workload at a similar level to the previous year

- Provided general advice and information to approximately 3,600 callers to our advice lines or to our offices. 750 people enquired about employment and discrimination, 350 enquired about housing issues, 90 about community care matters and 2,500 contacted us regarding immigration and asylum matters.
- Ran surgeries at which we advised approximately 300 people
- We worked on nearly **2000** new cases
- Approximately **1400** involved an application to court or to a tribunal

Rights Awareness Raising

We undertook a range of activities to achieve this:

- We worked closely with referring agencies and managed relationships with them positively.
- Each team placed priority on the maintenance and further development of arrangements which enabled us to reach potential clients. These ranged from surgeries, through to open days, drop in sessions, advice lines, training for other agencies etc.
- We sought to continue to improve our profile within Coventry, by achieving coverage for positive stories in the media, and by maintaining the letters column in the Coventry Telegraph

Partnership working

We have worked very hard during the year to develop our existing partnerships and to build new ones.

We continue to play a leading role in Advice Services Coventry (ASC). This is a group of advice agencies who are working together to improve advice services in the city. The Director of the Law Centre co-chairs this partnership. The group has been successful in bidding as a partnership for monies to strengthen advice services in the city. ASC

- Received £143,098 from The Big Lottery Fund under its 'Advice +' programme. This was the second full year of three year's funding of a partnership project in the name of Advice Services Coventry (ASC), for which Coventry Law Centre is the lead agency. With this funding ASC has appointed a Co-ordinator, who reports to the Director of the Law Centre; partner agencies are running various projects, and Coventry Law Centre has employed a trainee solicitor.
- Received £112,362 from The Baring Foundation under its 'Strengthening the Voluntary Sector' programme. This is part of a two year grant totaling £191,000 and the funding is supporting a range of activities aimed at strengthening the independence of the agencies who are members of ASC. These include working with Vanguard Consulting to undertake systems reviews, investment in IT systems to strengthen internal systems and to facilitate joined up working across the partnership, developing a stronger profile in terms of social policy work, undertaking a

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governance health check on each of the agencies and further developing links with community groups – particularly groups who are most vulnerable and likely to benefit from our services.

The Director of the Law Centre is the project manager for both projects being funded.

In addition, we received just over £9,000 from the Department of Children, Families and Schools as part of a joint project being led by Coventry and Warwickshire Family Mediation and also involving Relate and Coventry Citizens Advice Bureau. The aim of the project is to reduce the number of children entering child poverty by joining up our services and delivering them in a more holistic way to households going through relationship breakdown.

The Director of the Law Centre is also the Chair of the Equalities and Community Cohesion Theme Group of the Coventry Partnership. This complements the work being done by the Law Centre in relation to discrimination and has fostered links with other organisations working on equalities and cohesion issues, as well as further raising the profile of the Law Centre in connection with the equalities agenda.

Each individual team within the charity has also worked to build on and develop their partnerships with other agencies. We continued to operate a variety of surgeries together with other agencies, and we formalised our referral arrangements to ensure that clients were transferred smoothly from those agencies.

Premises

In January 2010 the charity moved to new premises. The new offices are still in the city centre and are adjacent to Job Centre Plus, as well as very close to Coventry Citizens Advice Bureau and the County Court. The benefit to clients is that they are fully accessible, being on the ground floor, and we now have interview room facilities and a much larger reception area. We are sharing these premises with Coventry Cyrenians, which will allow us to reduce costs in the longer term and also offers the opportunity to join up our services in respect of homeless people.

Development of staff

All staff continued to benefit from development and training to meet needs identified through the charity's staff appraisal process. In particular, a member of staff is being supported to undertake the conversion course prior to commencing solicitor training, and we are employing three trainee solicitors. One is supported by a grant from the Legal Services Commission, one by a grant from the Big Lottery, and one is directly funded by the Law Centre.

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:

R J Mason
A Williams (resigned 17 June 2010)
J Whyman
T Roxburgh
Prof. H Bahra
R G Hughes
Councillor L J Bigham

Financial Review

Financial stability

The charity has continued to move forward positively and an overall net increase in funds in excess of £94,000 was achieved for the year.

Success in obtaining funding from the Baring Foundation along with the new funding for a debt advice service, supported by continued funding from the Equalities and Human Rights Commission and the Big Lottery, helped to support continued financial stability.

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Principal sources of funding

The main source of funding for the charity is the fees paid by the Legal Services Commission (LSC) for work undertaken for clients who are eligible for legal aid. This covers approximately 70% of the clients assisted. As highlighted earlier in the report, the LSC is tendering these services during the coming year and it is critical for the future of the charity that it is successful in this tendering round.

Coventry City Council continues to represent a significant 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 Services Commission; and free advice and casework for people on low incomes, but who do not qualify for legal aid.

As mentioned above, we also received funding from the Equalities and Human Rights Commission that enabled us to continue our work in relation to discrimination; and from Whitefrairs Housing, Coventry Building Society and Coventry Cyrenians, enabling us to establish a new debt advice service.

We also received funding from The Baring Foundation and The Big Lottery. Both these sources of funding were to support the work of Advice Services Coventry, the city wide advice partnership. The Law Centre benefited indirectly from this, but the majority of the funding was paid out to other partners, or to consultants.

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 revalued earnings. Details of the pension scheme are included in note 17 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.

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 £184,073, reflecting the replacement

Trustees' Annual Report for the year ended 31 March 2010

costs of assets in use; the equivalent level of three months operating costs, currently £232,780, calculated and reviewed annually, is the target for the operating reserves; and the target for redundancy reserves reflects existing redundancy costs, currently £76,501.

This gives a total target of £493,353.

The General Reserve shows a balance of £426,787 following the net increase in funds during the year. The Pension Fund liability is valued at £774,000, which leaves the General Reserve with a negative balance of £(347,213).

Consequently, no designated funds have been established, with all funds still being held in General Reserve, giving a year end balance of £(347,213) after the Pension Fund liability is factored in.

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 2010/11, we will continue to offer advice and representation in the same areas of law. We will seek to expand the new Debt Advice service and we will use the Legal Services Commission tendering opportunity to seek to develop a public law specialism.

Our primary objective will be to work with our partners in Advice Services Coventry to develop an integrated advice service for the city and to minimise the impact of potential cuts in local authority funding.

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 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:

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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.

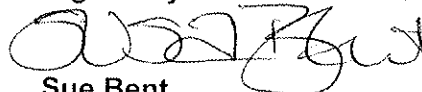
Auditors

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**

28 October 2010

Chanrey Vellacott DFK LLP

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Independent Auditor's Report To The Members

We have audited the financial statements of Coventry Law Centre Ltd for the year ended 31 March 2010 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 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

The trustees' (who are also the directors of the charitable company for the purposes of company law) responsibilities for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view 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 International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the Trustees' Report is consistent with those financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the charitable company's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

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 other information.

Basis of opinion

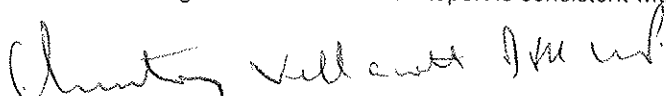
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that 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 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006; and
- the information given in the Trustees' Report is consistent with the financial statements.



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

Date: 28 October 2010

COVENTRY LAW CENTRE LTD
(LIMITED BY GUARANTEE)

Statement of financial activities (including income and expenditure account)
for the year ended 31 March 2010

	Note	Unrestricted funds £	Restricted funds £	Total funds 31 March 10 £	Total funds 31 March 09 £
Incoming resources					
Incoming resources from generated funds:					
<i>Voluntary income:</i>					
Donations	2	265	480	745	600
<i>Activities for generating funds:</i>					
Fundraising Activities		-	-	-	1,940
Investment income		191	-	191	4,076
Other incoming resources		3,630	-	3,630	123
Incoming resources from charitable activities:					
Grants and contracts receivable	3	1,039,814	375,982	1,415,796	1,276,625
Total incoming resources		1,043,900	376,462	1,420,362	1,283,364
Resources expended					
Charitable activities					
Finance cost - expected return on pension scheme assets		928,401	361,896	1,290,297	1,221,421
- interest on pension scheme liabilities		(56,000)	-	(56,000)	(69,000)
		86,000	-	86,000	85,000
Governance costs		5,304	-	5,304	4,499
Total resources expended	4	963,705	361,896	1,325,601	1,241,920
Net incoming resources for the year	5	80,195	14,566	94,761	41,444
Transfer between funds		-	-	-	-
Other recognised gains and losses					
Actuarial gain/(loss) on defined benefit pension scheme		(368,000)	-	(368,000)	113,000
Net movement in funds during the year		(287,805)	14,566	(273,239)	154,444
Total funds brought forward as previously stated		(59,408)	9,203	(50,205)	(204,649)
Total funds carried forward	14	(347,213)	23,769	(323,444)	(50,205)

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 17 to 27 form part of these financial statements.

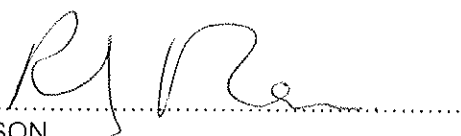
**COVENTRY LAW CENTRE LTD
(LIMITED BY GUARANTEE)**

Balance Sheet 31 March 2010

	Note	£	2010 £	£	2009 £
Fixed assets					
Tangible fixed assets	8		80,080		13,537
Current assets					
Debtors	9	559,670		426,503	
Cash at bank and in hand		189,198		204,160	
			<u>748,868</u>	<u>630,663</u>	
Creditors: amounts falling due within one year	10	(335,002)		(314,123)	
Net current assets			<u>413,866</u>	<u>316,540</u>	
Total assets less current liabilities			<u>493,946</u>	<u>330,077</u>	
Creditors: amounts falling due after more than one year	11		(43,390)	(15,282)	
Net assets before pension scheme liability			<u>450,556</u>	<u>314,795</u>	
Defined benefit pension liability			(774,000)	(365,000)	
Net liabilities including pension scheme liability			<u>(323,444)</u>	<u>(50,205)</u>	
Funds					
Unrestricted:					
General funds excluding pension liability		426,787		305,592	
Pension reserve		(774,000)		(365,000)	
Total Unrestricted funds			<u>(347,213)</u>	<u>(59,408)</u>	
Restricted			<u>23,769</u>	<u>9,203</u>	
Total funds	14		<u>(323,444)</u>	<u>(50,205)</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 28 October 2010 and are signed on their behalf by:


.....
R MASON
Director

Company Registration Number : 4149673

The notes on pages 18 to 32 form part of these financial statements.

Notes to the financial statements for the year ended 31 March 2010

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.

(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 incurring 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 5.

Notes to the financial statements for the year ended 31 March 2010

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 - 33 $\frac{1}{3}$ % on cost
Office equipment - 20% on cost
Property improvements - 20% on cost
- (j) **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.
- (k) **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.
- (l) **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. The scheme is being accounted for under FRS 17, with the annually calculated notional surplus or deficit on the funding of the Scheme shown in the accounts. 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.
- (m) **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.
- (n) **Governance costs**
Governance costs include those incurred in the governance of the charity and are primarily associated with constitutional and statutory requirements.

2. Voluntary income

	Unrestricted funds £	Restricted funds £	Total funds 31 March 10 £	Total funds 31 March 09 £
Donations	265	480	745	600
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

COVENTRY LAW CENTRE LTD
(LIMITED BY GUARANTEE)

Notes to the financial statements for the year ended 31 March 2010

3. Grants and contracts receivable

	Unrestricted funds £	Restricted funds £	Total funds 31 March 10 £	Total funds 31 March 09 £
Coventry City Council	471,938	-	471,938	458,308
Legal Services Commission	392,790	-	392,790	341,797
Legal Services Commission – housing pilot	18,126	-	18,126	22,022
Coventry City Council – Social Services	38,187	-	38,187	37,084
Big Lottery Fund	-	143,098	143,098	146,463
Disbursements and profit costs	105,023	-	105,023	102,733
Legal Services Commission - Training Grant	-	2,063	2,063	13,639
Equalities and Human Rights Commission Grant	-	55,000	55,000	75,000
Neighbourhood Renewal Fund Grant	-	-	-	71,956
The Baring Foundation	-	112,362	112,362	7,623
Whitefriars Housing	-	37,225	37,225	-
Coventry Parenting Together Partnership	-	9,092	9,092	-
Coventry Cyrenians	-	16,042	16,042	-
Coventry Building Society	13,750	-	13,750	-
Midland Legal Support Trust	-	1,100	1,100	-
	<u>1,039,814</u>	<u>375,982</u>	<u>1,415,796</u>	<u>1,276,625</u>

4. Analysis of total resources expended

	Legal and Advice £	Training and Awareness £	Governance £	Total 31 March 10 £	Total 31 March 09 £
Costs directly allocated to activities					
Staff costs	416,900	25,336	-	442,236	393,958
Insurance	3,469	-	-	3,469	3,294
Publishing	5,160	336	-	5,496	4,915
Subscriptions	6,192	-	-	6,192	10,881
Courses	11,612	673	-	12,285	13,051
Disbursements	108,573	-	-	108,573	103,421
Support costs allocated to activities					
General office and finance staff	300,555	18,563	-	319,118	316,977
Communications	4,814	370	-	5,184	5,603
Premises costs	60,776	3,831	-	64,607	59,288
Moving costs	11,292	869	-	12,161	-
Other costs	12,582	949	-	13,531	9,204
Depreciation	14,137	1,078	-	15,215	10,788
Loss on disposal of assets	3,555	273	-	3,828	-
Legal and professional fees	159	12	-	171	-
Audit and accountancy	-	-	3,804	3,804	2,999
Printing, postage & stationery	23,192	1,397	-	24,589	19,640
Advertising	2,290	123	-	2,413	5,739
Travel	1,828	51	-	1,879	2,465
Bank charges	215	17	-	232	558
Bank interest	1,942	149	-	2,091	2,326
Advice review/NRF	201,754	-	-	201,754	179,039
Pension fund valuation	-	-	1,500	1,500	1,500
Pension operating charge	42,039	3,234	-	45,273	79,332
Pension finance cost	27,857	2,143	-	30,000	16,000
	<u>1,260,893</u>	<u>59,404</u>	<u>5,304</u>	<u>1,325,601</u>	<u>1,241,920</u>

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

Notes to the financial statements for the year ended 31 March 2010

4. Analysis of total resources expended (continued)

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 £3,469 (2009: £3,294) for professional indemnity insurance in relation to its charitable objectives, trustee indemnity is also included within the insurance.

5. Net incoming resources for the year

This is stated after charging

	Total 31 March 10	Total 31 March 09
	£	£
Depreciation	15,215	10,788
Loss on disposal of assets	3,828	-
Operating lease costs – property	43,812	38,000
Auditors' remuneration:		
As auditors	2,834	2,474
Other services	550	525
	<u>135,761</u>	<u>101,440</u>
Net incoming resources before FRS 17 adjustment	135,761	101,440
Net FRS17 adjustment	(41,000)	(59,996)
	<u>94,761</u>	<u>41,444</u>
Net incoming resources after FRS 17 adjustment	94,761	41,444

6. Staff costs and numbers

The aggregate payroll costs were as follows:

	Total 31 March 10	Total 31 March 09
	£	£
Salaries and wages	703,188	658,153
Social Security costs	58,166	50,224
Pension costs	35,773	36,836
	<u>797,127</u>	<u>745,213</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:

	2010 No.	2009 No.
Administrative staff	4	4
Legal and advisory staff	25	23
	<u>29</u>	<u>27</u>

7. Taxation

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

COVENTRY LAW CENTRE LTD
(LIMITED BY GUARANTEE)

Notes to the financial statements for the year ended 31 March 2010

8. Tangible fixed assets	Property improvements £	Computer equipment £	Office equipment £	Total £
Cost				
At 1 April 2009	79,651	63,765	34,710	178,126
Additions	64,502	20,632	464	85,598
Disposals	(79,651)	-	-	(79,651)
	-----	-----	-----	-----
At 31 March 2010	64,502	84,397	35,174	184,073
	-----	-----	-----	-----
Depreciation				
At 1 April 2009	73,471	61,436	29,682	164,589
Charge for the year	5,565	7,076	2,574	15,215
Released on disposal	(75,811)	-	-	(75,811)
	-----	-----	-----	-----
At 31 March 2010	3,225	68,512	32,256	103,993
	-----	-----	-----	-----
Net book value				
At 31 March 2010	61,277	15,885	2,918	80,080
	-----	-----	-----	-----
At 31 March 2009	6,180	2,329	5,028	13,537
	-----	-----	-----	-----

Hire purchase agreements

Included within the net book value of £80,080 (2009 : £13,537) is £3,919 (2009: £nil) relating to assets held under hire purchase agreements. The depreciation charged to the accounts in the period in respect of such assets amounted to £1,960 (2009: £nil).

9. Debtors	2010 £	2009 £
Other debtors	39,923	18,509
VAT	5,282	-
Prepayments and accrued income	514,465	407,994
	-----	-----
	559,670	426,503
	-----	-----

10. Creditors: amounts falling due within one year	2010 £	2009 £
Bank loan short term	15,282	24,899
Trade creditors	72,421	10,843
Taxation and social security	18,092	15,323
VAT	-	5,234
Hire purchase agreements	3,000	1,672
Other creditors	19,299	11,982
Pension creditor	4,997	4,511
Accruals	117,612	110,230
Grants received in advance	84,299	129,429
	-----	-----
	335,002	314,123
	-----	-----

The bank loan is secured on a fixed and floating charge over all the assets and undertaking of the charity.

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

Notes to the financial statements for the year ended 31 March 2010

11. Creditors: amounts falling due after more than one year	2010	2009
	£	£
Hire purchase agreements	500	-
Bank loan	-	15,282
Other creditors	42,890	-
	<u>43,390</u>	<u>15,282</u>

The bank loan is secured on a fixed and floating charge over all the assets and undertaking of the charity.

12. Commitments under hire purchase agreements

Future commitments under hire purchase agreements are as follows:

	2010	2009
	£	£
Amounts payable within 1 year	3,000	1,746
Amounts payable after 1 year	500	-
Less interest and finance charges relating to future periods	-	74
	<u>3,500</u>	<u>1,672</u>

13. Commitments under operating leases

At 31 March 2010 the charity had annual commitments under non-cancellable operating leases as set out below:

	2010	2009
	£	£
Land and buildings		
Operating leases which expire:		
Within 2 to 5 years	<u>39,463</u>	<u>38,000</u>

COVENTRY LAW CENTRE LTD
(LIMITED BY GUARANTEE)

Notes to the financial statements for the year ended 31 March 2010

14. Statement of funds

	Balance at 31 March 09 £	Incoming £	Outgoing £	Actuarial (loss) £	Balance at April 10 £
Unrestricted funds:					
General reserve	(59,408)	1,043,900	(963,705)	(368,000)	(347,213)
Total unrestricted funds	(59,408)	1,043,900	(963,705)	(368,000)	(347,213)
Restricted funds:					
Big Lottery Fund	6,640	143,098	(140,126)	-	9,612
Legal Advice Booklet fund	167	-	-	-	167
Annual Report fund	2,083	-	-	-	2,083
CLS Development fund	115	-	-	-	115
LSC Training Grant	-	2,063	(2,063)	-	-
Equality & Human Rights Commission	-	55,000	(55,000)	-	-
Heart of England	198	-	-	-	198
Subscription fund	-	480	(480)	-	-
Whitefriars Housing	-	37,225	(37,225)	-	-
Coventry Parenting Together Partnership	-	9,092	(9,092)	-	-
Coventry Cyrenians	-	16,042	(16,042)	-	-
Midland Legal Support Trust	-	1,100	(367)	-	733
The Baring Foundation	-	112,362	(101,501)	-	10,861
Total restricted funds	9,203	376,462	(361,529)	-	23,769
Total funds	(50,205)	1,420,362	(1,325,601)	(368,000)	(323,444)

The purpose of the Big Lottery Fund, EHRC, Whitefriars Housing, Coventry Cyrenians, The Baring Foundation are dealt with on page 11 in the Trustees' Report.

The purpose of the funds from Coventry Parenting Together Partnership are outlined on page 10 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.

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

	Restricted funds £	General funds £	Total £
Tangible fixed assets	-	80,080	80,080
Current assets	96,686	652,182	748,868
Current liabilities	(72,917)	(262,085)	(335,002)
Long-term liabilities	-	(43,390)	(43,390)
Defined benefit pension liability	-	(774,000)	(774,000)
	23,769	(347,213)	(323,444)

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

Notes to the financial statements for the year ended 31 March 2010

16. 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.

17. 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 scheme actuary, independent of the participating employer, has adjusted appropriately the date used for the purposes of the 2007 actuarial valuation to calculate FRS 17 disclosures for the year ended 31 March 2010.

The weighted average asset allocation at the year end were as follows:

Asset category	Expected Rate of return	Value 2010 £'000	Expected Rate of return	Value 2009 £'000
Equities	7.50%	838	7.50%	542
Government Bonds	4.50%	97	4.00%	113
Other Bonds	5.20%	88	6.00%	64
Property	6.50%	106	6.50%	86
Other	0.50%	15	0.50%	27
	<hr/>	<hr/>	<hr/>	<hr/>
Fair value of assets	6.88%	1,144	6.58%	832

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 weighted average assumptions used to determine benefit obligations:

	2010	2009
Discount rate	5.65%	7.00%
Rate of increase in salaries	5.35%	5.25%
Rate of increase of pensions	3.60%	3.50%
Inflation assumption	3.60%	3.50%
Further life expectancies from age 65:		
Retiring today		
Males	21.7	21.2
Females	24.9	24.0
Retiring in 20 years		
Males	23.5	22.2
Females	26.8	25.0

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

Notes to the financial statements for the year ended 31 March 2010

17. Pension commitments (continued)

Weighted average assumptions used to determine net pension cost for the year ended	2010	2009
Discount rate	7.00%	5.90%
Expected long-term return on plan assets	6.58%	6.92%
Rate of increase in salaries	5.25%	5.35%
Rate of increase of pensions	3.50%	3.60%
Inflation assumption	3.50%	3.60%

Further life expectancies from age 65:

Retiring today		
Males	21.7	21.2
Females	24.9	24.0
Retiring in 20 years		
Males	23.5	22.2
Females	26.8	25.0

Amounts recognised in the balance sheet

	2010	2009
Present value of funded obligations	(1,918)	(1,197)
Fair value of plan assets	1,144	832
Net amount recognised as liabilities	(774)	(365)

Components of defined benefit cost

Analysis of the amount chargeable to resources expended:

	2010 £'000	2009 £'000
Current service cost	(46)	(79)
Past service cost	-	-
Total operating charge	(46)	(79)

Analysis of the amount credited to finance cost

Expected return on pension scheme assets	56	69
Interest on pension scheme liabilities	(86)	(85)
Net return	(30)	(16)

**Analysis of the amount recognised in the statement of
Total recognised gains and losses**

Actual return less expected return on pension scheme assets	211	(253)
Experience gains and losses on liabilities	(579)	366
Changes in assumptions underlying the present value of the schemes liabilities	-	-
Actuarial gain / (loss) recognised in statement of total recognised gains and losses	(368)	113
Actual return on plan assets	267	(184)

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

Notes to the financial statements for the year ended 31 March 2010

17. Pension commitments (continued)

Change in benefit obligations	2010 £'000	2009 £'000
Benefit obligation at 1 April 2008	1,197	1,403
Current service cost	46	79
Interest cost	86	85
Member contributions	26	29
Past service costs	-	-
Actuarial (gains)/losses	579	(366)
Benefits paid	(16)	(33)
	-----	-----
Benefit obligation at 31 March 2009	1,918	1,197

Change in plan assets	2010 £'000	2009 £'000
Fair value of plan assets at 1 April 2008	832	985
Expected return on plan assets	56	69
Actuarial (gains)/losses	211	(253)
Employer contributions	35	35
Member contributions	26	29
Benefits paid	(16)	(33)
	-----	-----
Fair value of plan assets at 31 March 2009	1,144	832

History of experience gains and losses	2010 £'000	2009 £'000	2008 £'000	2007 £'000	2006 £'000
Benefit obligation at year end	1,918	1,197	1,403	992	858
Fair value of plan assets at end of year	1,144	832	985	704	623
Surplus / (deficit)	(774)	(365)	(418)	(288)	(235)
Difference between the expected and actual return on scheme assets:					
Amount	211	(253)	159	5	86
Percentage of scheme assets	18.4%	(30.4%)	16.1%	0.7%	13.8%
Experience gains and losses on scheme liabilities:					
Amount	-	-	(142)	-	(15)
Percentage of scheme liabilities	0.0%	0.0%	(10.1)%	0.0%	(1.7)%
Total amount recognised in statement of total recognised gains and losses:					
Amount	(368)	113	(47)	5	(16)
Percentage of scheme liabilities	(19.2%)	9.4%	(3.3)%	0.5%	(1.9)%

The employer expects to contribute £39,000 in the year to 31 March 2011.

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

Notes to the financial statements for the year ended 31 March 2010

Related party transactions

Coventry Partnership for Advice Services (CPAS) was deemed to be a related party in the year ended 31 March 2009.

During the year ending 31 March 2010, income totalling £nil (2009:£71,956) was received for projects to be delivered jointly by CLC and CPAS. Expenditure totalling £nil (2009:£71,956) is included in these financial statements for services delivered by CPAS.