

**THE NATIONAL COUNCIL FOR CIVIL LIBERTIES**

**EXECUTIVE COMMITTEE'S REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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**THE NATIONAL COUNCIL FOR CIVIL LIBERTIES**

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS EXECUTIVE COMMITTEE AND ADVISERS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**Executive Committee** Clive Baldwin  
Dr Tara Lai Quinlan, Chair (appointment to Chair 13 July 2022)  
Qudsia Mirza  
Alex Rawle  
Luke Sandford  
Michael Schwarz (resigned 7 September 2022)  
Rahul Sinha, Treasurer (resigned 6 December 2022)  
Patricia Tuitt  
Christina Blacklaws (appointed 4 March 2023)  
Aiden Geary (appointed 26 April 2023)

**Company registered number** 03260840

**Registered office** Liberty House  
26-30 Strutton Ground  
London  
SW1P 2HR

**Company secretary** Martha Spurrier

**Independent auditors** MHA  
Chartered Accountants and Statutory Auditor  
6th Floor  
2 London Wall Place  
London, United Kingdom  
EC2Y 5AU

**Bankers** Royal Bank of Scotland plc  
25 Millbank  
London  
SW1P 4RB

Royal Bank of Scotland plc  
67 Morrison Street  
Edinburgh  
EH3 8YJ

Nationwide Building Society  
Kings Park Road  
Moulton Park  
Northampton  
NN3 6NW

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# THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

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## EXECUTIVE COMMITTEE'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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The Executive Committee present their report and the audited financial statements for the year ended 31 December 2022. The Executive Committee members are the Directors for company law purposes. The accounts have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). Although the company is not a Charity, in many respects its activities are similar to one and therefore in preparing the financial statements to provide a true and fair view, the Executive Committee has had regard to the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP).

### 1. MISSION AND VALUES

Liberty (the National Council for Civil Liberties) campaigns for civil liberties and human rights in the UK. Our members have been holding the powerful to account, changing the law and making the news for almost 90 years. Founded in 1934, we are a cross party, non-party membership organisation.

Liberty is ordinary people, standing up to power. We want everyone in the UK to be treated fairly, with dignity and respect. We hold the powerful to account, so rights are protected and freedom is valued for all. We are independent and unshakeable. Our principles are guided by evidence and expertise – not political agenda, profit or popular opinion. We are not afraid to speak uncomfortable truths or challenge intolerance, injustice or abuse of power wherever we find it – but we always treat people with respect. We inspire and empower others to defend their own rights and the rights of their family, friends and communities. Together, we use our voice in courtrooms, in the news, on the streets and in politics to demand and deliver lasting change to benefit the many and the most vulnerable.

The objects of Liberty are:

1. Liberty shall advance measures and take such steps as it shall deem necessary for the defence and extension of civil liberties and human rights in the United Kingdom and the rights and freedoms recognised by international law. In particular Liberty shall strive to ensure and safeguard the right to:

- a. live in freedom and safe from personal harm;
- b. protection from ill treatment or punishment that is inhuman or degrading;
- c. equality before the law and to freedom from discrimination on such grounds as disability, political or other opinion, race, religion, sex or sexual orientation and marital status;
- d. protection from arbitrary arrest and unnecessary detention, the right to a fair, speedy and public trial, to be presumed innocent until proven guilty, and to legal advice and representation;
- e. a fair hearing before any authority exercising power over the individual;
- f. freedom of thought, conscience and belief;
- g. freedom of speech and publication;
- h. freedom of peaceful assembly and association;
- i. move freely within one's country of residence and to leave and enter it without hindrance;
- j. privacy and the right of access to official information.
- k. other civil and political rights and freedoms guaranteed by the International Bill of Rights and similar instruments to which the UK is or may become a party.

2. Liberty shall be non-party and non-sectarian.

Liberty's values are:

1. Liberty is an anti-racist, disability-positive, trans affirming organisation. We do not tolerate discrimination on any grounds, including class, economic status, religious belief, nationality, immigration status, sexual orientation, gender identity, race, colour, ethnicity, age and disability. We recognise that discrimination can be direct or indirect and does not require intent. We take the side of the most marginalised, defend minoritised groups, challenge oppressive practices and fight for substantive equality. We are not swayed by political agenda, profit or public opinion. We are not afraid to speak uncomfortable truths and challenge intolerance, discrimination and abuse of power wherever we find it.
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# THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

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## EXECUTIVE COMMITTEE'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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2. Our work strives to recognise and counter the structural and historic oppression that pervades society; we consider the power dynamics of any issue or situation, working to rebalance them in favour of minoritised or disempowered groups. We do not use human rights or civil liberties arguments to support actions that would oppress others or suppress rights. We elevate considerations of relative power and collective rights above purist civil libertarianism.
3. We listen to people closest to a problem or issue and recognise that expertise can be gained from lived experience of an issue, from research and academic learning, all of which we take into account. We are committed to creating a positive, supportive, respectful environment where people are free to be themselves.
4. We welcome respectful challenge and feedback, and we undertake to listen, reflect and learn and respond with respect rather than act defensively or with hostility. We know that to succeed in Liberty's mission, and to do good governance, anti-oppression must run through everything we do and we are responsible and accountable for protecting these values. As members of Liberty we must live Liberty's values of dignity and respect and be courageous in championing Liberty's mission internally and externally.

## 2. ACHIEVEMENTS AND PERFORMANCE

Over the last year Liberty has continued to fight for a rights-respecting UK in Parliament, the courts, and society, whilst dealing with an increasingly hostile environment created by the government's stance on these issues.

We have continued to build on learnings and momentum from our 2021-2022 work on the Police, Crime, Sentencing and Courts Act (PCSC Act) and grown our work with civil society to respond to the Bill of Rights and Public Order Bill.

We also achieved great success challenging the Metropolitan Police gangs' matrix, securing a crucial victory in defending the rights of people of colour against discriminatory policing. Our membership continues to grow, and we are exceeding our media targets. Internally, we have continued vital work to build an anti-oppressive organisation, including an anti-oppressive approach to staff wellbeing.

Liberty's enduring reach and impressive impact was demonstrated further in 2022:

- Liberty lawyers delivered justice for people who would otherwise have been left marginalised. In 2022, we represented 14 clients (2021: 12 clients) in legal proceedings. We also brought cases or intervened as Liberty acting in the public interest, in 5 cases (2021: 13 cases). Liberty intervened to support cases about joint enterprise and the criminalisation of Black youth culture; about cases to personal independence payment (PIP) for disabled people who are in hospital for more than 28 days; about the rights of members of the Gypsy, Traveller and Roma (GRT) community; and about the rights of protesters.
- Liberty brought mass surveillance challenges against MI5 and the Investigatory Powers Act. We helped clients to successfully appeal their Community Protection Notices. We also represented Awate Suleiman and UNJUST UK, a Community interest company challenging injustice in the criminal justice system, in challenging the legality of the Gangs Violence Matrix (GVM) on the grounds that it discriminates against Black people, who are disproportionately on the Matrix. Furthermore, we supported frontline organisations to bring a breadth of numerous challenges in line of our vision to protect human rights and hold the powerful to account, to ensure everyone in the UK is treated fairly.
- Liberty's policy work continued to put us at the heart of major legislative decisions. In 2022, we improved laws and policies through 57 briefings (2021: 56 briefings), publications and reports, prompting 32 meetings with MPs and parliamentarians.

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## THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

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### EXECUTIVE COMMITTEE'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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- Liberty worked with hundreds of groups and thousands of people to oppose and delay the Government's attempts to scrap the Human Rights Act (HRA). At the time of writing, the Bill that would have replaced the HRA has been deprioritised, but we continue to work across political parties, the media and multiple different sectors to make the case for human rights.
- Liberty also led a coalition of hundreds of organisations working across a broad range of sectors to challenge the Public Order Bill and gained concessions from the Government in the House of Lords.
- Liberty's campaigns empowered 193,000 people to take action – signing petitions, contacting MPs, and engaging in direct campaigning in their communities (up from 180,414 in 2021).
- In 2022, Liberty's Advice & Information team continued to deliver vital information on human rights law to the communities that need it the most. As well as assisting 893 individuals directly through our advice service, we delivered 10 "know your rights" training sessions on police powers and protest rights in collaboration with seven different organisations which represent or work with marginalised communities, reaching an additional 150 beneficiaries. Our online advice hub was viewed over 360,000 times, and our page explaining the changes brought in by the Police, Crime, Sentencing and Courts Act proved particularly popular, being accessed over 37,000 times. We printed and distributed 7,200 protest 'bust cards', produced new advice content for social media and worked collaboratively with disability rights organisations to produce new content for our advice hub explaining the rights and legal protections for disabled people during interactions with the police.
- Liberty Investigates published 10 investigations with eight partners, including ITV News and the Times, plus new partners gal-dem, and contributed reporting to a story by the New York Times. On top of this Liberty Investigates published a standalone website memorialising asylum seekers to raise awareness of deaths in Home Office accommodation. Our Twitter following continued to grow above 2,000.
- Liberty's wide range of expert spokespeople raised their voices against the powerful across national news outlets and broadcast media. We achieved around 4,000 mentions and/or pieces of coverage, but expect there to have been far more that weren't tracked. This includes numerous national TV appearances talking about key campaign areas such as policing and the Human Rights Act.
- Our social media engagements were almost 1.9 million in 2022, compared to around 1 million in 2021, and so have almost doubled. Our followers have increased from 140,855 to 155,000 including the introduction of our new Tik Tok channel.
- Despite the environment becoming more difficult for individual giving in 2022, we recorded modest growth in our membership numbers with 15,408 at the end of the year. Income from the membership remains strong.

### 3. FINANCIAL REVIEW

The outturn for the year ended 31 December 2022 was a surplus of £254,006 (2021 - £64,664) comprising an increase in the unrestricted fund of £174,953 and an increase in restricted funds of £79,053. The higher total surplus compared to the previous year was largely as a result of a 28% increase in grant income, much of which was expended during the year on core activities, with the retained surplus forming part of planned expenditure during 2023.

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## THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

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### EXECUTIVE COMMITTEE'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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Total income in 2022 amounted to £3.97m, an increase from £3.20m in 2021. As mentioned above, the higher income was largely due to grant income. However, both membership subscriptions and income from donations and legacies were higher than the previous year, a significant achievement during a challenging financial period for all. Grant Income is receivable from the Civil Liberties Trust, and other valued funding bodies that support the work undertaken at Liberty. These are analysed in further detail at Note 5 to the accounts.

Expenditure increased in 2022 by 18% compared to 2021, which was in accordance with the budget plan and reflected the higher income received from grants towards our activities. Notes 8 and 9 to the accounts provide a detailed breakdown of how these costs were incurred. Liberty spent the majority of its restricted funds (income received for specific purposes) in the year that it was received, and at the year-end restricted fund balances carried forward amounted to £112,773.

#### **Reserves**

The Committee require the Company to hold reserves to cover risks outlined in the risk register, including covering fixed expenses, unexpected financial settlements and unforeseen reductions in voluntary income. Reserves are also required in case of an unexpected shutdown of the organisation, to cover fixed costs and other related costs if necessary. Liberty's Reserves Policy requires that free General Funds (which is calculated as total unrestricted funds excluding the fixed asset reserve) hold at least 4 months, no more than 8 months, and ideally, 6 months of annual expenditure.

General Fund Reserves at year-end were £2,229,527. This was within the reserves policy range and equates to 6.7 months reserves, based on the approved 2022 total budgeted expenditure.

#### **Risks**

The Committee has considered the risks to which the organisation is exposed, including legal, reputational, and financial, and has taken steps to mitigate and manage those risks. Liberty's Senior Leadership Team meets weekly and regularly reviews the possibility and likelihood of risks to the organisation. Mitigating actions are agreed and where appropriate, decisions are escalated to the Executive Committee.

Financial risks are managed primarily by the adoption of a prudent reserves policy, along with an annual budget and fundraising strategy. The annual budget is produced in the autumn for the following year and the committee reviews financial reports at each meeting. The primary goal of the fundraising strategy is to provide a secure and stable funding base for Liberty's current and future activities. Internal risks are controlled by implementing procedures for authorising transactions and managing campaigns and projects.

Liberty's key non-financial risks include the risk that it loses profile, as public/media attention moves away from Liberty campaign issues, or – on the contrary – that coverage of particular campaigns skews public perception and damages Liberty's reputation as a non-party cross-party organisation. With a broad campaigning remit and only modest resources, Liberty must also work continuously to ensure staff are not overstretched and that the focus remains on priority areas.

#### **Pay Policy for Key Management Personnel**

Liberty considers its Key Management Personnel to comprise of the Executive Committee and the Senior Leadership Team. The Senior Leadership Team (SLT) is made up of the Director, Advocacy Director, Communications Director, Development Director and the Finance & Operations Director.

Executive Committee members are not remunerated. The SLT are employed staff members and pay is set by the Director, informed by benchmarking. The Director's salary is set by the board and informed by benchmarking.

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## THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

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### EXECUTIVE COMMITTEE'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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All employees receive a pay rise on 1 January based on the annual rate of CPIH as at the preceding September. Due to the exceptionally high rate of inflation experienced throughout 2022, the Executive Committee authorised the pay award due in January 2023 to be implemented with effect from July 2022, to help mitigate the burden of inflation on the workforce. The annual incremental increases may not be made in circumstances of financial crisis.

#### ***Plans for future periods***

Liberty's expenditure and fundraising plan for 2023 was approved in December 2022. Liberty has now started its latest five-year strategic plan for 2023 – 2027, and key activities for the coming year include:

- Campaign to ensure that the UK's human rights framework is valued, protected and expanded;
- Support rights to protest, free expression and that rights to privacy are respected and at the heart of a free and open society;
- Work with communities and grass roots groups to develop and advance a positive and effective rights based vision for safe and flourishing communities and advocate that social issues are met with rights respecting responses;
- Expand our strong and diverse supporter base, to invest in and grow our membership and support members to take part in our campaigns and policy positions. To widen and diversify our income portfolio, ensuring that it is sustainable and provides sufficient growth to meet expenditure plans;
- To further develop internally and build an agile, effective, value driven organisation. This will be complemented as we embed an anti-oppressive approach and role model how best to nurture the wellbeing and development of our staff.

The threat to our rights in United Kingdom remains ever present. Liberty continues to fight back against attacks on our human rights, from the Illegal Migration Bill, Public Order Bill and other pieces of legislation. We are also preparing for upcoming opportunities; we are working to influence manifestos ahead of the next General Election and are seeking pledges to repeal some of the most oppressive legislation passed in recent years. In early 2023 we also launched our Holding Our Own (previously Safer Communities) campaign. We have worked with grassroots and community groups to build an inclusive and radical campaign from the ground up to develop non-policing solutions to serious youth violence and other social problems. We are also ambitiously aiming to change attitudes to human rights in the UK, through an innovative, long-term campaign to set a positive vision for human rights.

Liberty knows that to achieve our goals, we must pursue change as an organisation. We continue to grow and diversify our members and supporters, and over the last year we have further embedded our ground-breaking 'Liberty Investigates' journalistic unit. As an organisation, we are committed to building an inclusive and diverse organisation. This will remain a driving theme over the next five years, as we push forward our anti-oppressive strategy at all levels of the organisation beginning with establishing an anti-oppressive approach to wellness within Liberty. We will also further integrate Monitoring and Evaluation and complete our hybrid working pilot scheme, with plans to investigate the feasibility of moving to a four-day-working week model.

#### **4. STRUCTURE, GOVERNANCE AND MANAGEMENT**

The National Council for Civil Liberties, more commonly known as Liberty, is registered as a company limited by guarantee no. 03260840 ('the Company'); its governing instrument is its Memorandum and Articles of Association. The Company has no share capital or debentures and hence there are no directors' interests requiring disclosure under the Companies Act 2006.



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## THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

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### EXECUTIVE COMMITTEE'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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The Company is the operational entity linked to a separate unincorporated association with essentially the same objects which was established in 1934. The members of the unincorporated association elect a Council. The Council in turn appoints an Executive Committee which, under the articles of association of the Company are the Company's Members and Committee of Management, a Board of Directors for company law purposes. In 2017, the constitution of the unincorporated association was amended to allow the Executive Committee to co-opt up to three members into its number in order to fill skills gaps or to ensure diversity. The unincorporated association directs Liberty policy but has no transactions, assets or liabilities, and all members' subscriptions are paid to the Company. Unless otherwise stated, references to Liberty in this report and in the financial statements refer to the Company.

The Company works closely with The Civil Liberties Trust ('the Trust'), a charitable company no. 1024948. The Company undertakes a substantial amount of charitable work for which it receives a grant from the Trust. The Company also leases premises from the Trust. The Company can appoint a minority of Trustees to the Trust which, in turn, can appoint a representative to the Executive Committee.

The Executive Committee is responsible for approving operational plans and budgets, and for appointing a Director. The Director is responsible for management of day-to-day operations and is supported by a senior leadership team. Although the company is not a Charity, in many respects its activities are similar to one. Therefore, in preparing the financial statements to provide a true and fair view, the Executive Committee has had regard to the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP).

Following a rebranding exercise on 15 May 2023 the trading name of the company's independent auditor changed from MHA MacIntyre Hudson to MHA. A resolution to reappoint MHA as independent auditor will be proposed at the next Annual General Meeting.

#### **Directors' Indemnities**

Subject to the provisions of the Companies Act 2006 every Director or other officer of the company shall be indemnified out of the assets of the Company against any liability incurred in acting in such capacity in successfully defending any proceedings, whether civil or criminal, against them. Subject to certain customary exceptions, a member of the Executive Committee may benefit from indemnity insurance purchased at the Company's expense to cover the liability of Directors in respect of any negligence, default, breach of trust or breach of duty in relation to the Company.

Approved by order of the Members of the Board of Executive Committee and signed on its behalf by:



.....  
**Dr Tara Lai Quinlan**

Chair

Date: 26/04/2023

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## THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

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### STATEMENT OF EXECUTIVE COMMITTEE'S RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2022

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The Executive Committee (who are also the Directors of the Company for the purposes of company law) are responsible for preparing the Executive Committee's Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Executive Committee to prepare financial statements for each financial year. Under company law, the Executive Committee must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Executive Committee are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Executive Committee are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Executive Committee are aware:

- there is no relevant audit information of which the Company's auditor is unaware; and
- the Executive Committee Members have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by order of the Members of the Board of Executive Committee and signed on its behalf by:



.....  
**Dr Tara Lai Quinlan**

Chair

Date: 26/04/2023

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## THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

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#### Opinion

We have audited the financial statements of The National Council for Civil Liberties (the 'Company') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

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

#### Conclusions relating to going concern

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

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

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

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## THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE NATIONAL COUNCIL FOR CIVIL LIBERTIES (CONTINUED)

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#### Other information

The other information comprises the information included in the Executive Committee's Report other than the financial statements and our Auditors' Report thereon. The Executive Committee are responsible for the other information contained within the Executive Committee's Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Executive Committee's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Executive Committee's Report has been prepared in accordance with applicable legal requirements.

#### Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Executive Committee's Report.

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

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

#### Responsibilities of the Executive Committee

As explained more fully in the Statement of Executive Committee's Responsibilities, the Executive Committee (who are also the Directors of the Company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Executive Committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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## THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE NATIONAL COUNCIL FOR CIVIL LIBERTIES (CONTINUED)

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

#### **Auditors' responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Obtaining an understanding of the legal and regulatory frameworks that the entity operates in, focusing on those laws and regulations that had a direct effect on the financial statements;
- Enquiry of management and those charged with governance to identify any instances of known or suspected instances of fraud;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management about any instances of non-compliance with laws and regulations;
- Reviewing the control systems in place and testing the effectiveness of the controls;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness;
- Evaluating the business rationale of significant transactions outside the normal course of business;
- Reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

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**THE NATIONAL COUNCIL FOR CIVIL LIBERTIES**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE NATIONAL COUNCIL FOR CIVIL LIBERTIES (CONTINUED)**

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**Use of our report**

This report is made solely to the Company's Executive Committee, 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 Company's Executive Committee those matters we are required to state to them in an Auditors' 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 Company and its Executive Committee, as a body, for our audit work, for this report, or for the opinions we have formed.



**Stuart McKay BSc FCA DChA (Senior Statutory Auditor)**

for and on behalf of

**MHA**

Statutory Auditor

London, United Kingdom

Date: 06/06/2023

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

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THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

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STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 DECEMBER 2022

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	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
<b>Income from:</b>					
Donations and legacies	4	129,649	5,406	135,055	76,969
Activities:					
Membership and fundraising		755,218	-	755,218	714,057
Legal and advice work		38,714	-	38,714	33,588
Grant income	5	761,894	2,271,940	3,033,834	2,361,134
Other trading activities	6	1,639	-	1,639	14,411
Investments	7	5,806	-	5,806	949
<b>Total income</b>		<b>1,692,920</b>	<b>2,277,346</b>	<b>3,970,266</b>	<b>3,201,108</b>
<b>Expenditure on:</b>					
Activities	8	1,516,864	2,198,293	3,715,157	3,136,444
<b>Total expenditure</b>		<b>1,516,864</b>	<b>2,198,293</b>	<b>3,715,157</b>	<b>3,136,444</b>
<b>Net income before taxation</b>		<b>176,056</b>	<b>79,053</b>	<b>255,109</b>	<b>64,664</b>
Taxation	18	(1,103)	-	(1,103)	-
<b>Net movement in funds</b>		<b>174,953</b>	<b>79,053</b>	<b>254,006</b>	<b>64,664</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		2,277,903	33,720	2,311,623	2,246,959
Net movement in funds		174,953	79,053	254,006	64,664
<b>Total funds carried forward</b>		<b>2,452,856</b>	<b>112,773</b>	<b>2,565,629</b>	<b>2,311,623</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The notes on pages 16 to 35 form part of these financial statements.

**BALANCE SHEET  
AS AT 31 DECEMBER 2022**

	Note	2022 £	2022 £	2021 £	2021 £
<b>Fixed assets</b>					
Tangible assets	14		<b>223,329</b>		121,806
			<u>223,329</u>		<u>121,806</u>
<b>Current assets</b>					
Debtors: Amounts falling due within one year	15	<b>808,761</b>		378,870	
Cash at bank and in hand	23	<b>2,024,068</b>		2,135,069	
		<u>2,832,829</u>		<u>2,513,939</u>	
Creditors: Amounts falling due within one year	17	<b>(490,529)</b>		(324,122)	
<b>Net current assets</b>			<b>2,342,300</b>		2,189,817
<b>Total net assets</b>			<u><b>2,565,629</b></u>		<u>2,311,623</u>
<b>Funds</b>					
Restricted funds	19		<b>112,773</b>		33,720
Unrestricted funds	19		<b>2,452,856</b>		2,277,903
<b>Total funds</b>			<u><b>2,565,629</b></u>		<u>2,311,623</u>

The Executive Committee acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Executive Committee and signed on their behalf by:



.....  
**Dr Tara Lai Quinlan**  
Chair  
Date: 26/04/2023

The notes on pages 16 to 35 form part of these financial statements.



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THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

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STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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	Note	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	22	41,951	513,682
		<hr/>	<hr/>
<b>Cash flows from investing activities</b>			
Investment income	7	4,703	949
Proceeds from the sale of tangible fixed assets		600	-
Purchase of tangible fixed assets	14	(158,255)	(21,152)
		<hr/>	<hr/>
<b>Net cash used in investing activities</b>		<b>(152,952)</b>	<b>(20,203)</b>
		<hr/>	<hr/>
<b>Change in cash and cash equivalents in the year</b>		<b>(111,001)</b>	<b>493,479</b>
Cash and cash equivalents at the beginning of the year		2,135,069	1,641,590
		<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the year</b>	23	<b>2,024,068</b>	<b>2,135,069</b>
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 16 to 35 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**1. General information**

The National Council for Civil Liberties is a Company registered with the Registrar of Companies (Company Registered Number 03260840) in England and Wales.

The address of the registered office is given in the Company information on page 1 of these financial statements.

The nature of the Company's operations and principal activities are to challenge injustice, defend freedom and campaign to make sure everyone in the UK is treated fairly.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). Although the Company is not a Charity, in many respects its activities are similar to one and therefore in preparing the financial statements to provide a true and fair view, the Executive Committee has had regard to the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006, to the extent considered appropriate.

The National Council for Civil Liberties meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements have been presented in pound sterling, which is also the functional currency of the Company, and are rounded to the nearest pound.

**2.2 Going concern**

The financial statements have been prepared on a going concern basis as the Executive Committee believe that no material uncertainties exist. The Executive Committee have considered the level of funds held and the expected level of income and expenditure for at least 12 months from authorising these financial statements. The level of reserves is sufficient with the budgeted income and expenditure for the Company to be able to continue as a going concern.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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2. Accounting policies (continued)

2.3 Income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For donations to be recognised, the Company will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfillment of those conditions is within the control of the Company and it is probable that they will be fulfilled.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Company has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Company, can be reliably measured.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income from trading activities includes income earned from speaking events and services delivered for the Civil Liberties Trust. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Legal income is recognised at the earlier of: the date at which it is received or the date at which the amount to be received can be reasonably estimated and its receipt is probable. This means in practice that legal income is recognised as it is earned - using a 'work-in-progress' estimate.

Membership subscriptions are accounted for on a cash received basis.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is accounted for on the accruals basis. All income is stated net of VAT where applicable.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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2. Accounting policies (continued)

2.4 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. All expenditure is categorised under one of the following headings:

- Legal
- Membership and fundraising
- Policy and campaigns
- Communications
- Advice and information
- Investigations

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

Expenditure on activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the reporting date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of Financial Activities.

2.7 Taxation

The Company is classed as a not-for-profit campaigning organisation. As such it is necessary to review the different sources of income received in each period for potential tax liabilities. The Company is currently liable to corporation tax on its investment income only.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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2. Accounting policies (continued)

**2.8 Tangible fixed assets and depreciation**

Tangible fixed assets costing £800 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful life of fixtures and fittings is typically between five and eight years, however the operational premises at Liberty House is occupied under a 7 year lease from the Civil Liberties Trust from 1 July 2019 to 30 June 2026. Therefore in the case of fixtures and fittings that form an integral and immovable element of the premises, depreciation is charged straight line over the remaining life of the lease effective from the date that the asset was purchased.

Depreciation is provided on the following basis:

Fixtures and fittings	- Between 3 to 8 years
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**2.9 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**2.10 Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**2.11 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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2. Accounting policies (continued)

**2.12 Financial instruments**

The Company only holds basic Financial Instruments. The financial assets and financial liabilities of the Company are as follows:

Debtors – trade and other debtors (including accrued income) are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 15. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Liabilities – trade creditors, accruals and other creditors will be classified as financial instruments, and are measured at amortised cost as detailed in Note 17. Taxation and social security are not included in the financial instruments disclosure. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is simply an obligation to deliver services rather than cash or another financial instrument.

**2.13 Operating leases**

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

**2.14 Pensions**

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year.

**2.15 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Executive Committee in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Executive Committee for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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**3. Critical accounting estimates and areas of judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- The recognition of grant income to the appropriate accounting period in order to meet any condition of grant stipulated by the funding body/donor
- The recognition of legacy income as meeting the 'reliable measurement' threshold on notification from the executors of the estate and not from any other source
- Useful economic lives of tangible fixed assets

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THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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4. Income from donations and legacies

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Donations	29,788	5,406	<b>35,194</b>
Legacies	99,861	-	<b>99,861</b>
<b>Total 2022</b>	<u>129,649</u>	<u>5,406</u>	<u><b>135,055</b></u>
	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Donations	5,852	50,649	56,501
Legacies	20,468	-	20,468
<i>Total 2021</i>	<u>26,320</u>	<u>50,649</u>	<u>76,969</u>

5. Analysis of grant income

	2022 £	2021 £
Civil Liberties Trust	<b>1,956,186</b>	1,625,624
INCLO	<b>37,340</b>	18,451
Legal Education Foundation	<b>81,396</b>	61,396
Open Society Foundation	<b>190,332</b>	16,051
The Oak Foundation	<b>171,000</b>	156,000
Trust for London	<b>21,000</b>	-
Unbound Philanthropy	<b>56,250</b>	75,000
Luminate	<b>421,841</b>	355,713
Paul Hamlyn Foundation	<b>50,000</b>	50,000
Digital Freedom Fund	<b>28,271</b>	247
Other grants	<b>20,218</b>	2,652
	<u><b>3,033,834</b></u>	<u>2,361,134</u>

In 2022, of the total income from grants, £761,894 (2021 - £419,366) was to unrestricted funds and £2,271,940 (2021 - £1,941,768) was to restricted funds.



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THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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6. Income from other trading activities

	<b>Unrestricted funds 2022 £</b>	<b>Total funds 2022 £</b>
Other earned income	1,639	<b>1,639</b>
	<hr/> <hr/>	<hr/> <hr/>
	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Research, writing and speaking fees	11,788	11,788
VAT refund	974	974
Other earned income	1,649	1,649
<i>Total 2021</i>	<hr/> <hr/> <i>14,411</i>	<hr/> <hr/> <i>14,411</i>

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THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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7. Investment income

	<b>Unrestricted funds 2022 £</b>	<b>Total funds 2022 £</b>
Bank interest receivable	5,806	<b>5,806</b>
	<u>5,806</u>	<u>5,806</u>

  

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Bank interest receivable	949	949
	<u>949</u>	<u>949</u>

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THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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8. Analysis of expenditure on activities - by fund

	<b>Unrestricted funds 2022 £</b>	<b>Restricted funds 2022 £</b>	<b>Total funds 2022 £</b>
Membership and fundraising	425,217	526,553	<b>951,770</b>
Legal	177,042	316,210	<b>493,252</b>
Policy and campaigns	240,570	639,853	<b>880,423</b>
Communications	299,552	523,772	<b>823,324</b>
Advice and information	129,854	158,751	<b>288,605</b>
Investigations	244,629	33,154	<b>277,783</b>
<b>Total 2022</b>	<b>1,516,864</b>	<b>2,198,293</b>	<b>3,715,157</b>

  

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Membership and fundraising	226,003	550,968	776,971
Legal	188,724	365,046	553,770
Policy and campaigns	208,698	562,723	771,421
Communications	207,698	371,620	579,318
Advice and information	72,643	160,569	233,212
Investigations	221,752	-	221,752
<i>Total 2021</i>	<i>1,125,518</i>	<i>2,010,926</i>	<i>3,136,444</i>

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THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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9. Analysis of expenditure on activities - by type

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Membership and fundraising	645,863	305,907	<b>951,770</b>
Legal	357,351	135,901	<b>493,252</b>
Policy and campaigns	588,566	291,857	<b>880,423</b>
Communications	549,745	273,579	<b>823,324</b>
Advice and information	196,069	92,536	<b>288,605</b>
Investigations	194,308	83,475	<b>277,783</b>
<b>Total 2022</b>	<u>2,531,902</u>	<u>1,183,255</u>	<u><b>3,715,157</b></u>
	<i>Activities undertaken directly 2021 £</i>	<i>Support costs 2021 £</i>	<i>Total funds 2021 £</i>
Membership and fundraising	602,696	174,275	776,971
Legal	358,833	194,937	553,770
Policy and campaigns	572,971	198,450	771,421
Communications	376,655	202,663	579,318
Advice and information	177,202	56,010	233,212
Investigations	168,584	53,168	221,752
<i>Total 2021</i>	<u>2,256,941</u>	<u>879,503</u>	<u>3,136,444</u>

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THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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9. Analysis of expenditure on activities - by type (continued)

Analysis of support costs

	<b>Total funds 2022 £</b>	<i>Total funds 2021 £</i>
Staff costs	447,671	306,678
Depreciation	55,944	54,453
Premises costs	238,779	130,836
Office costs	344,648	319,298
Governance costs	96,213	68,238
	<u>1,183,255</u>	<u>879,503</u>

10. Governance costs

	<b>2022 £</b>	<i>2021 £</i>
Auditor's remuneration - Audit of the financial statements	15,474	13,450
Auditor's remuneration - Accountancy and other fees	4,015	3,625
Auditor's remuneration - Over accrual of prior year fees	(704)	-
Auditor's remuneration - Under accrual of prior year fees	-	179
AGM	1,254	18,018
Council and Executive Committee costs	4,376	10,724
Legal and other professional fees	71,798	22,242
	<u>96,213</u>	<u>68,238</u>

11. Auditors' remuneration

The auditor's remuneration to MHA amounts to an audit fee of £15,474 (2021 - £13,450). They were also paid £3,115 (2021 - £2,800) for accounts preparation and £900 (2021 - £825) for services related to the annual corporation tax calculation.

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## THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 12. Staff costs

	2022 £	2021 £
Wages and salaries	2,184,278	1,894,891
Social security costs	252,597	197,670
Pension costs	102,695	86,555
	<u>2,539,570</u>	<u>2,179,116</u>

The average number of persons employed by the Company during the year was as follows:

	2022 No.	2021 No.
Employees	<u>49</u>	<u>44</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2022 No.	2021 No.
In the band £60,001 - £70,000	4	-
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	-	1
In the band £100,001 - £110,000	1	-

The Company considers its Key Management Personnel to comprise of the Director, Advocacy Director, Communications Director, Development Director and the Operations Director in addition to the Executive Committee Members.

The total amount of employee benefits (including gross pay, employers national insurance contributions and employers pension contributions) received by Key Management Personnel was £452,790 (2021 - £510,397).

#### 13. Executive Committee's remuneration and expenses

During the year, no Executive Committee received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 December 2022, expenses totalling £930 were reimbursed or paid directly to 2 Executive Committee Members for travel and subsistence costs (2021 - £NIL to no Executive Committee Members).

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THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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14. Tangible fixed assets

	Fixtures and fittings £
<b>Cost or valuation</b>	
At 1 January 2022	562,890
Additions	158,255
Disposals	(53,627)
At 31 December 2022	<u>667,518</u>
<b>Depreciation</b>	
At 1 January 2022	441,084
Charge for the year	55,944
On disposals	(52,839)
At 31 December 2022	<u>444,189</u>
<b>Net book value</b>	
At 31 December 2022	<u><u>223,329</u></u>
At 31 December 2021	<u><u>121,806</u></u>

15. Debtors

	2022 £	2021 £
<b>Due within one year</b>		
Trade debtors	-	15,559
Amounts receivable from Civil Liberties Trust	417,385	221,070
Other debtors	92,070	-
Prepayments and accrued income	299,306	142,241
	<u><u>808,761</u></u>	<u><u>378,870</u></u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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**16. Client's bank account**

The Company maintains a designated client bank account to hold funds on behalf of clients for legal cases. At the year-end the balance in the account was £153,466 (2021 - £131,446). Since the funds do not belong to the Company the balance and associated transactions have not been recognised in these financial statements.

**17. Creditors: Amounts falling due within one year**

	2022 £	2021 £
Trade creditors	115,773	101,333
Corporation tax	1,103	231
Other taxation and social security	70,650	68,226
Other creditors	13,895	10,243
Accruals and deferred income	289,108	144,089
	<u>490,529</u>	<u>324,122</u>
	2022 £	2021 £
<b>Deferred income</b>		
Deferred income at 1 January	66,507	124,753
Resources deferred during the year	168,140	66,507
Amounts released from previous years	(66,507)	(124,753)
<b>Deferred income at 31 December</b>	<u>168,140</u>	<u>66,507</u>

Deferred income relates to grant income recognised over more than one financial year in accordance with the accounting policy on grant income.

**18. Corporation tax**

The Company is only liable for corporation tax on its bank interest income and the tax charge for the year of £1,103 (2021 - £180). The effective tax rate for the year was 19% (2021 - 19%).



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THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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19. Statement of funds

Statement of funds - current year

	Balance at 1 January 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2022 £
<b>Unrestricted funds</b>					
<b>Designated funds</b>					
Fixed asset reserve	121,806	-	(55,944)	157,467	223,329
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>General funds</b>					
General fund	2,156,097	1,692,920	(1,462,023)	(157,467)	2,229,527
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Unrestricted funds</b>	<b>2,277,903</b>	<b>1,692,920</b>	<b>(1,517,967)</b>	<b>-</b>	<b>2,452,856</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Restricted funds</b>					
Other charitable campaigning work	33,720	2,277,346	(2,198,293)	-	112,773
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total of funds</b>	<b>2,311,623</b>	<b>3,970,266</b>	<b>(3,716,260)</b>	<b>-</b>	<b>2,565,629</b>
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THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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19. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 January 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 December 2021 £</i>
<b>Unrestricted funds</b>					
<b>Designated funds</b>					
Fixed asset reserve	155,107	-	(54,453)	21,152	121,806
<b>General funds</b>					
General fund	2,039,623	1,208,691	(1,071,065)	(21,152)	2,156,097
<b>Total Unrestricted funds</b>	<b>2,194,730</b>	<b>1,208,691</b>	<b>(1,125,518)</b>	<b>-</b>	<b>2,277,903</b>
<b>Restricted funds</b>					
Other charitable campaigning work	52,229	1,992,417	(2,010,926)	-	33,720
<b>Total of funds</b>	<b>2,246,959</b>	<b>3,201,108</b>	<b>(3,136,444)</b>	<b>-</b>	<b>2,311,623</b>

The Executive Committee has established the Fixed asset reserve to reflect funds tied up in Tangible Fixed Assets and therefore not available for other purposes.

A transfer was made between the unrestricted general funds and the fixed asset reserve to represent fixed asset additions purchased using general funds.

The Other charitable campaigning work fund has been established to reflect grants which contained restrictions on how they could be expended.

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## THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 20. Analysis of net assets between funds

##### Analysis of net assets between funds - current year

	<b>Unrestricted funds 2022 £</b>	<b>Restricted funds 2022 £</b>	<b>Total funds 2022 £</b>
Tangible fixed assets	223,329	-	<b>223,329</b>
Current assets	2,720,056	112,773	<b>2,832,829</b>
Creditors due within one year	(490,529)	-	<b>(490,529)</b>
<b>Total</b>	<b>2,452,856</b>	<b>112,773</b>	<b>2,565,629</b>

##### Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	121,806	-	121,806
Current assets	2,480,219	33,720	2,513,939
Creditors due within one year	(324,122)	-	(324,122)
<b>Total</b>	<b>2,277,903</b>	<b>33,720</b>	<b>2,311,623</b>

#### 21. The Civil Liberties Trust

The Company is grant-funded by a registered Charity called The Civil Liberties Trust (CLT) and at the year-end there was an amount receivable of £417,385 (2021 - £221,070) from the Charity (see Note 15). The Company can appoint a minority of Trustees of the Charity, which in turn can appoint a representative to the Executive Committee. One member of the Executive Committee, Patricia Tuitt, was a Trustee of CLT during the year. The Chair of CLT is a Member of the Executive Committee.

CLT owns the freehold property and charges rent to the National Council for Civil Liberties under a rental agreement. On 1st May 2019, the Charity Commission authorised CLT to lease this property to the National Council for Civil Liberties for a term of seven years, at an annual peppercorn rent of £1.

During the year, the National Council for Civil Liberties charged CLT £NIL plus VAT (2021 - £NIL plus VAT) for services performed by its employees on behalf of CLT. The Civil Liberties Trust has no employees and relies on the National Council for Civil Liberties staff for fundraising and secretarial support.

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THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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22. Reconciliation of net movement in funds to net cash flow from operating activities

		2022 £	2021 £
Net income for the year (as per Statement of Financial Activities)		<b>254,006</b>	64,664
<b>Adjustments for:</b>			
Depreciation charges	14	<b>55,944</b>	54,453
Investment income	7	<b>(4,703)</b>	(949)
Loss on the sale of fixed assets		<b>188</b>	-
(Increase)/decrease in debtors	15	<b>(429,891)</b>	343,818
Increase in creditors	17	<b>166,407</b>	51,696
<b>Net cash provided by operating activities</b>		<b>41,951</b>	513,682

23. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand	<b>2,024,068</b>	2,135,069
<b>Total cash and cash equivalents</b>	<b>2,024,068</b>	2,135,069

24. Analysis of changes in net debt

	At 1 January 2022 £	Cash flows £	At 31 December 2022 £
Cash at bank and in hand	<b>2,135,069</b>	<b>(111,001)</b>	<b>2,024,068</b>
	<b>2,135,069</b>	<b>(111,001)</b>	<b>2,024,068</b>

NOTES TO THE FINANCIAL STATEMENTS  
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**25. Pension commitments**

The Company operates a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £102,695 (2021 - £85,555). At the year end, there were outstanding contributions of £NIL included in Other creditors (2021 - £1,925).

**26. Related party transactions**

Other than Key Management Personnel and Executive Committee remuneration disclosed in Notes 12 and 13, there have been no related party transactions during the year.