

THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

EXECUTIVE COMMITTEE'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

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THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS EXECUTIVE COMMITTEE AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2023

Executive Committee	Dr Tara Lai Quinlan, Chair Letitia Andrewartha (appointed 28 June 2023) Clive Baldwin Christina Blacklaws (appointed 4 March 2023, resigned 28 June 2023) Margaret Ruth Breddal (appointed 12 July 2023) Abraham Eiluorior (appointed 12 July 2023) Aidan Geary (appointed 26 April 2023) Nicholas Mercer (appointed 12 July 2023) Qudsia Mirza Alex Rawle (resigned 10 November 2023) Luke Sandford David Taylor (appointed 12 July 2023) Patricia Tuitt
Company registered number	03260840
Registered office	Liberty House 26-30 Strutton Ground London SW1P 2HR
Company secretary	Martha Spurrier (resigned 18 March 2024) Jenny Beardsley (appointed 18 March 2024)
Liberty Director	Martha Spurrier (until 31 January 2024) Akiko Hart (from 31 January 2024) (Interim Director 5 June 2023 to 31 January 2024)
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 Nationwide Building Society Kings Park Road Moulton Park Northampton NN3 6NW

THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

EXECUTIVE COMMITTEE'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

The Executive Committee present their report and the audited financial statements for the year ended 31 December 2023. 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 some 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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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.

Liberty's legal case against the Home Secretary has placed Liberty at the forefront of the conversation around not only protest but also the degradation of parliamentary standards. Liberty is taking the Home Secretary to court over new anti-protest legislation which Liberty argues were introduced unlawfully after it had been democratically rejected by Parliament a few months earlier. The response to this work demonstrates the desire from supporters for Liberty to do this work. Over 900 new members joined Liberty as a result of publicity around the case. The announcement was picked up by the media, and the Guardian ran a comment piece by the Interim Director when the case was filed. It also lent itself to Liberty's top performing social content of the year. In June, content announcing this action received 52,000 engagements (the target for key content is 16,000). The main launch tweet went viral with over 2.2 million views, and the rapid response spokesperson video has received over 68,000 views on TikTok alone. The hearing took place at the Royal Courts of Justice in February 2024, with a decision anticipated during the Summer of 2024.

Liberty continued to oppose rights regressive legislation across the board. A key victory was the official scrapping of the Bill of Rights in the summer of 2023, an example of how Liberty has worked in deep coalition with civil society partners. However, the conversation around the European Convention on Human Rights remains a live one, and Liberty continues to be well placed to lead civil society in making the case for the Convention. One area of policy and campaigns focus has been the Illegal Migration Act, and subsequent Safety of Rwanda Bill, which has repercussions on the Human Rights Act and the Convention. For the former, Liberty put out video explainers, gathered over 280 organisations to oppose its passing and got 50,000 people to sign our petition which was delivered to 10 Downing Street. This work and strength of coalition will serve Liberty well in making the case to future Governments for the repeal of repressive legislation.

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Liberty's enduring reach and impressive impact was demonstrated further in 2023:

- Liberty lawyers delivered justice for people who would otherwise have been left marginalised. In 2023, we represented 9 clients (2022: 14 clients) in legal proceedings. This included a successful challenge to the way the CPS use the charge of joint enterprise in a discriminatory way. We also brought cases or intervened as Liberty acting in the public interest, in 6 cases (2022: 5 cases). Liberty intervened to support cases about the rights of members of the Gypsy, Traveller and Roma (GRT) community, and about the rights of protesters. We supported other organisations in challenging unlawful and discriminatory letters banning people from a major cultural event.
- Liberty brought mass surveillance challenges against MI5 and the Investigatory Powers Act, and brought proceedings against the Home Secretary about changes to the law on protest which give the police increased powers. We represented an individual to successfully challenge a dispersal order which had unlawfully led to his arrest and destruction of his property. 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 2023, we improved laws and policies through 70 briefings (2022: 57 briefings), prompting 37 meetings with MPs and parliamentarians (2022: 32 meetings).
- Liberty's work with hundreds of groups and thousands of people to oppose and delay the Government's attempts to scrap the Human Rights Act (HRA) was successful, with the Bill of Rights Bill, or Rights Removal Bill, officially scrapped. Liberty continued to work with those groups to fight back against regressive immigration legislation that stripped rights from people seeking asylum.
- Liberty published an innovative policy guide with 9 other NGOs, grassroots groups and service providers called Holding Our Own: A Guide to Non-Policing Solutions to Serious Youth Violence, which we used to engage wider civil society and parliamentarians in our policy recommendations.
- In 2023, Liberty's Advice & Information team continued to deliver vital information on human rights law to the communities that need it the most. We assisted 865 individuals directly through our newly branded Human Rights Information Line. We also delivered 7 'I Know My Rights' training sessions on police powers and protest rights to community organisations representing and working with marginalised communities. These training sessions included a webinar that we delivered in October 2023 in collaboration with Disability Rights UK, which set out the rights of Disabled people when protesting. In total, these training sessions reached an additional 198 beneficiaries in 2023.
- Our online advice hub was viewed over 450,000 times. We published 24 different articles for our Advice Hub in 2023 and updated previous articles following changes in the law. We have also worked with the Include organisation to produce Easy Read materials for our Advice Hub, in addition to working on more advice content to post on our social media. In 2023, we translated and published our protest bust cards in 6 new languages (based on requests from migrant organisations across the UK) and printed and distributed 3,200 protest bust cards in total.
- Liberty Investigates published 17 investigations (2022: 10 investigations) with nine partners, including The Times and The Observer, plus new partners openDemocracy and inews, and contributed exclusive reporting to a story by BBC News. The unit also received additional press attention after its standalone website memorialising asylum seekers who have died in Home Office accommodation was featured in the Big Issue's 100 Changemakers for 2023, and our investigation into small boat crossings was profiled in the Tip Off podcast.

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- In 2023, we achieved more than 3,500 mentions in the media and/or pieces of press coverage. This includes our work on protest and the Human Rights Act being covered by high profile media outlets such as the Times, Telegraph, Guardian and BBC News. In addition to this, Liberty spokespeople featured across numerous national TV appearances, including appearances on BBC Newsnight, ITV News, Sky News and a panel slot on LBC's Cross Questions.
- Our social media engagements were almost 1.1 million in 2023 – the same as 2022. However, engagements were down significantly on Facebook – partly because of algorithm changes on the platform and partly because we have spent less on boosting content due to the algorithm changes. We were no longer seeing the same engagement results from the same boosting spend. By removing Facebook from the picture, we had nearly 700,000 engagements on Twitter, Instagram and TikTok in 2023 compared to 450,000 in 2022. Our followers have increased from 156,000 to 203,000 and we have doubled our following on Instagram to over 31,000 followers. We have increased from a few hundred followers on TikTok to over 14,000.
- Liberty's campaigns empowered 68,603 people to take action – signing petitions, contacting MPs, and engaging in direct campaigning in their communities.
- The environment for individual giving remained tough in 2023, but despite this, we recorded growth in membership numbers, with an additional 16,315 at the end of the year. Income from membership remains strong. We ran three fundraising appeals during the year, including the Big Give Christmas challenge. Each one exceeded its target.

3. FINANCIAL REVIEW

The outturn for the year ended 31 December 2023 was a small deficit of £10,799 (2022 – surplus £254,006) comprising a reduction in the unrestricted fund of £36,450 and an increase in restricted funds of £25,651. The movement in total outturn compared to the previous year was largely as a result of a 7% fall in grant income, with 2022 including more than £300,000 of one-off restricted grant income (now fully expended) that was not repeated in 2023.

Total income in 2023 amounted to £3,779,183, a reduction from £3,970,266 in 2022. As explained above, the lower income was mainly due to a reduction in total grant income. Other income sources compared more favourably to the previous year, with membership subscriptions continuing to grow steadily. Income from donations and legacies were lower than in 2022 largely due to a fall in legacy income which is erratic by nature. The largest source of income is from Grants and these are 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 by only 2% compared to the prior year in 2023, a considerable achievement in cost control given the inflationary and financial challenges faced by organisations and individuals in recent years. Expenditure has also been maintained within funding levels and was in accordance with the budget plan for the period. Notes 8 and 9 to the accounts provide a detailed breakdown of how these costs were incurred against Liberty's core activities. 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 £138,424.

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. 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.

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General Fund Reserves at year-end were £2,258,479. This was within the reserves policy range and equated to 6.9 months reserves, based on approved 2024 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.

Funding and Finance risks have been a key focus over the year with a need to address some upcoming budget shortfalls from 2025 onwards. Mitigations have included the restructuring of the development team, a move to diversify income further and invest in major donor strategies, and examining Liberty's cost base and implementing non staff cost savings. This will remain a key area of focus across 2024 as well as maintaining Liberty's prudent reserves policy. The Executive Committee is supported in its oversight of financial planning and sustainability by the Finance Sub-committee, who scrutinise reserves, budgets and fundraising approach.

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 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, Finance & Operations Director and the Head of People and Culture.

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. All employees receive a pay rise on 1 January, informed by but not necessarily equivalent to, the annual rate of CPIH as at the preceding September. Pay award decisions are dependent on the budget plan and only made subject to affordability considerations.

Plans for future periods

Liberty's expenditure and fundraising plan for 2024 was approved in December 2023. Liberty is now in the second year of its five-year strategic plan for 2023 – 2027 which include the following five strategic objectives:

- Campaign to ensure that the UK's human rights framework is valued, protected and expanded;
- Support rights to protest, free expression and privacy;
- Advocate that social issues are met with rights respecting responses;
- Expand our strong and diverse supporter base, and 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.

In 2024, Liberty will focus on three key campaign areas – protest, policing, and the European Convention on Human Rights. This work will be informed by the wider political climate, as it will most likely be a General Election year. Protest has become front page news, and increasingly harsh legislation is being threatened. The high-profile nature of our work in an election year presents a number of opportunities for Liberty, as we can capitalise on increased media exposure and public interest.

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Through partnership work, we will be exploring how we can make the case for the right to protest to different audiences. Throughout our communications work, we will be taking a digital first approach, testing out new messaging, and working to ensure that we reach wider audiences.

Our legal work spans the first three strategic objectives. A key moment will be the judgment in our case against the Home Secretary, which we expect in late spring.

We will prioritise putting Liberty on a financially stable footing, and diversifying our income streams. We will develop major donor and legacy fundraising, and in individual giving, promote a range of asks that we can tailor and target effectively to different groups in order to increase our income.

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.

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).

Towards the end of 2023 Martha Spurrier announced her intention to resign from the position of Director at Liberty in January 2024, having held the position since 2016. The Executive Committee appointed Akiko Hart to replace her, who had previously held the position of Interim Director from June 2023.

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.

Preparation of the report

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

THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

EXECUTIVE COMMITTEE'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

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:

THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

STATEMENT OF EXECUTIVE COMMITTEE'S RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2023

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:

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

Opinion

We have audited the financial statements of The National Council for Civil Liberties (the 'Company') for the year ended 31 December 2023 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 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE NATIONAL COUNCIL FOR CIVIL LIBERTIES (CONTINUED)

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

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. This description forms part of our Auditors' Report.

THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

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

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:

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

THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:					
Donations and legacies	4	61,872	-	61,872	135,055
Activities:					
Membership and fundraising		779,085	-	779,085	755,218
Legal and advice work		79,213	-	79,213	38,714
Grant income	5	907,053	1,911,755	2,818,808	3,033,834
Other trading activities	6	518	-	518	1,639
Investments	7	39,687	-	39,687	5,806
Total income		1,867,428	1,911,755	3,779,183	3,970,266
Expenditure on:					
Activities	8	1,896,338	1,886,104	3,782,442	3,715,157
Total expenditure		1,896,338	1,886,104	3,782,442	3,715,157
Net (expenditure)/income before taxation					
		(28,910)	25,651	(3,259)	255,109
Taxation	18	(7,540)	-	(7,540)	(1,103)
Net movement in funds		(36,450)	25,651	(10,799)	254,006
Reconciliation of funds:					
Total funds brought forward		2,452,856	112,773	2,565,629	2,311,623
Net movement in funds		(36,450)	25,651	(10,799)	254,006
Total funds carried forward		2,416,406	138,424	2,554,830	2,565,629

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 17 to 36 form part of these financial statements.

**BALANCE SHEET
AS AT 31 DECEMBER 2023**

	Note	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible assets	14		157,927		223,329
			<hr/>		<hr/>
			157,927		223,329
Current assets					
Debtors: Amounts falling due within one year	15	581,730		808,761	
Cash and cash equivalents at bank and in hand	23	2,419,607		2,024,068	
		<hr/>		<hr/>	
		3,001,337		2,832,829	
Creditors: Amounts falling due within one year	17	(604,434)		(490,529)	
		<hr/>		<hr/>	
Net current assets			2,396,903		2,342,300
			<hr/>		<hr/>
Total net assets			2,554,830		2,565,629
			<hr/> <hr/>		<hr/> <hr/>
Funds					
Restricted funds	19		138,424		112,773
Unrestricted funds	19		2,416,406		2,452,856
			<hr/>		<hr/>
Total funds			2,554,830		2,565,629
			<hr/> <hr/>		<hr/> <hr/>

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:

The notes on pages 17 to 36 form part of these financial statements.

THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash used in operating activities	22	375,290	41,951
		<hr/>	<hr/>
Cash flows from investing activities			
Investment income	7	39,687	4,703
Proceeds from the sale of tangible fixed assets		-	600
Purchase of tangible fixed assets	14	(19,438)	(158,255)
		<hr/>	<hr/>
Net cash provided by/(used in) investing activities		20,249	(152,952)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		395,539	(111,001)
Cash and cash equivalents at the beginning of the year		2,024,068	2,135,069
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year	23	2,419,607	2,024,068
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 17 to 36 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

1. General information

The National Council for Civil Liberties is a private company limited by guarantee and is 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 2023

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 an 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).

Where income is shown within the prior years figures on the Statement of Financial Activities on page 14, and is not broken down separately in the notes, the prior year income was unrestricted.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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 2023

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 are 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 and cash equivalents at bank and in hand

Cash and cash equivalents at bank and in hand includes cash and short-term highly liquid investments with a short maturity of twelve 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 2023

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 and cash equivalents at bank and in hand – cash 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 Termination/severance payments

Termination benefits, including redundancy costs, are recognised when the Company has the obligation to pay the benefits and they can be reliably measured.

2.16 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 2023

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

THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

4. Income from donations and legacies

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Donations	5,043	-	5,043
Legacies	56,829	-	56,829
Total 2023	61,872	-	61,872
	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Donations	29,788	5,406	35,194
Legacies	99,861	-	99,861
<i>Total 2022</i>	<i>129,649</i>	<i>5,406</i>	<i>135,055</i>

5. Analysis of grant income

	2023 £	2022 £
Civil Liberties Trust	1,742,141	1,956,186
INCLO	35,958	37,340
Legal Education Foundation	100,000	81,396
Open Society Foundation	161,556	190,332
The Oak Foundation	215,000	171,000
Trust for London	25,000	21,000
Unbound Philanthropy	51,584	56,250
Luminate	406,717	421,841
Paul Hamlyn Foundation	50,000	50,000
Digital Freedom Fund	8,656	28,271
Other grants	22,196	20,218
	2,818,808	3,033,834

In 2023, of the total income from grants, £907,053 (2022 - £761,894) was to unrestricted funds and £1,911,755 (2022 - £2,271,940) was to restricted funds.

THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

6. Income from other trading activities

	Unrestricted funds 2023 £	Total funds 2023 £
Research, writing and speaking fees	200	200
Other earned income	318	318
Total 2023	<u>518</u>	<u>518</u>
	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Other earned income	1,639	1,639

THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

7. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £
Bank interest receivable	39,687	39,687
	<u>39,687</u>	<u>39,687</u>
	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Bank interest receivable	5,806	5,806
	<u>5,806</u>	<u>5,806</u>

THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

8. Analysis of expenditure on activities - by fund

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Membership and fundraising	414,997	509,994	924,991
Legal	251,295	334,075	585,370
Policy and campaigns	315,955	516,963	832,918
Communications	507,107	321,467	828,574
Advice and information	149,249	152,792	302,041
Investigations	257,735	50,813	308,548
Total 2023	<u>1,896,338</u>	<u>1,886,104</u>	<u>3,782,442</u>
	<i>As restated Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>As restated Total funds 2022 £</i>
Membership and fundraising	402,926	526,553	929,479
Legal	256,090	316,210	572,300
Policy and campaigns	145,508	639,853	785,361
Communications	314,332	523,772	838,104
Advice and information	137,086	158,751	295,837
Investigations	260,922	33,154	294,076
<i>Total 2022 as restated</i>	<u>1,516,864</u>	<u>2,198,293</u>	<u>3,715,157</u>

THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

9. Analysis of expenditure on activities - by type

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £
Membership and fundraising	675,884	249,107	924,991
Legal	410,997	174,373	585,370
Policy and campaigns	559,521	273,397	832,918
Communications	582,582	245,992	828,574
Advice and information	193,058	108,983	302,041
Investigations	202,678	105,870	308,548
Total 2023	<u>2,624,720</u>	<u>1,157,722</u>	<u>3,782,442</u>
	<i>As restated Activities undertaken directly 2022 £</i>	<i>As restated Support costs 2022 £</i>	<i>As restated Total funds 2022 £</i>
Membership and fundraising	661,275	268,204	929,479
Legal	382,978	189,322	572,300
Policy and campaigns	501,380	283,981	785,361
Communications	585,676	252,428	838,104
Advice and information	201,177	94,660	295,837
Investigations	199,416	94,660	294,076
<i>Total 2022 as restated</i>	<u>2,531,902</u>	<u>1,183,255</u>	<u>3,715,157</u>

Following a review of the support cost allocation methodology, the Directors concluded that the current basis of allocation is no longer representative of the operations of the Company. Accordingly, an amendment has been made to the allocation basis to reflect the total number of staff employed working within each department rather than only the senior leaders. This, together with a stronger justification for the allocation of senior leaders' time to direct costs, has led to a material change to the support cost allocation. In accordance with FRS 102, this change in accounting policy has been reflected in both the current and previous years' financial statements. Note 8 and Note 9 have therefore been restated to reflect this change. The change to accounting policy has not affected the overall surplus that was reported in the 2022 accounts and therefore has not affected the prior year balance sheet in any way.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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

Analysis of support costs

	Total funds 2023 £	<i>Total funds 2022 £</i>
Staff costs	513,525	447,671
Depreciation	84,003	55,944
Premises costs	158,544	238,779
Office costs	305,097	344,648
Governance costs	96,553	96,213
	<u>1,157,722</u>	<u>1,183,255</u>

10. Governance costs

	2023 £	<i>2022 £</i>
Auditor's remuneration - Audit of the financial statements	16,552	15,474
Auditor's remuneration - Accountancy and other fees	4,244	4,015
Auditor's remuneration - Over accrual of prior year fees	-	(704)
AGM	7,344	1,254
Council and Executive Committee costs	5,452	4,376
Legal and other professional fees	62,961	71,798
	<u>96,553</u>	<u>96,213</u>

11. Auditors' remuneration

The remuneration to MHA for the audit of the financial statements amounts to £16,552 (2022 - £15,474). They were also paid £3,269 (2022 - £3,115) for accounts preparation and £975 (2022 - £900) for services related to the annual corporation tax calculation.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

12. Staff costs

	2023 £	2022 £
Wages and salaries	2,363,861	2,184,278
Social security costs	261,909	252,597
Pension costs	112,520	102,695
	<u>2,738,290</u>	<u>2,539,570</u>

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

	2023 No.	2022 No.
Employees	<u>48</u>	<u>49</u>

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

	2023 No.	2022 No.
In the band £60,001 - £70,000	6	4
In the band £90,001 - £100,000	2	-
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, Head of People and Culture (from July 2023) and the Finance & 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 £574,371 (2022 - £452,790).

13. Executive Committee's remuneration and expenses

During the year, no member of the Executive Committee received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 December 2023, expenses totalling £4,845 were reimbursed or paid directly to 8 Executive Committee Members for travel and subsistence costs (2022 - £930 to 2 Executive Committee Members).

THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

14. Tangible fixed assets

	Fixtures and fittings £
Cost or valuation	
At 1 January 2023	667,518
Additions	19,438
Disposals	(10,247)
At 31 December 2023	<u>676,709</u>
Depreciation	
At 1 January 2023	444,189
Charge for the year	84,003
On disposals	(9,410)
At 31 December 2023	<u>518,782</u>
Net book value	
At 31 December 2023	<u>157,927</u>
At 31 December 2022	<u>223,329</u>

15. Debtors

	2023 £	2022 £
Due within one year		
Trade debtors	90	-
Amounts receivable from Civil Liberties Trust	454,918	417,385
Other debtors	20,006	92,070
Prepayments and accrued income	106,716	299,306
	<u>581,730</u>	<u>808,761</u>

THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

16. Clients' 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 £8,717 (2022 - £153,466). 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

	2023 £	2022 £
Trade creditors	40,397	115,773
Corporation tax	7,540	1,103
Other taxation and social security	68,776	70,650
Other creditors	30,750	13,895
Accruals and deferred income	456,971	289,108
	<u>604,434</u>	<u>490,529</u>
	2023 £	2022 £
Deferred income		
Deferred income at 1 January	168,140	66,507
Resources deferred during the year	406,571	168,140
Amounts released from previous years	(168,140)	(66,507)
Deferred income at 31 December	<u>406,571</u>	<u>168,140</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 was £7,540 (2022 - £1,103). The effective tax rate for the year was 23.52% (2022 - 19%).

THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

19. Statement of funds

Statement of funds - current year

	Balance at 1 January 2023 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2023 £
Unrestricted funds					
Designated funds					
Fixed asset reserve	223,329	-	(84,003)	18,601	157,927
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
General funds					
General fund	2,229,527	1,867,428	(1,819,875)	(18,601)	2,258,479
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Unrestricted funds	2,452,856	1,867,428	(1,903,878)	-	2,416,406
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Restricted funds					
Other charitable campaigning work	112,773	1,911,755	(1,886,104)	-	138,424
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total of funds	2,565,629	3,779,183	(3,789,982)	-	2,554,830
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

THE NATIONAL COUNCIL FOR CIVIL LIBERTIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

19. Statement of funds (continued)

Statement of funds - prior year

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

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 and any gains/losses on disposal of fixed assets 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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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	157,927	-	157,927
Current assets	2,846,913	154,424	3,001,337
Creditors due within one year	(588,434)	(16,000)	(604,434)
Total	2,416,406	138,424	2,554,830

Analysis of net assets between funds - prior year

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

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 £454,918 (2022 - £417,385) 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. Executive Committee members that also served as Trustees of the CLT during the year were Letitia Andrewartha (from 28 June 2023), Christina Blacklaws (from 4 March 2023 to 28 June 2023), Aidan Geary (from 28 June 2023) and Patricia Tuitt.

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 (2022 - £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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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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

	2023 £	2022 £
Net income/expenditure for the year (as per Statement of Financial Activities)	(10,799)	254,006
Adjustments for:		
Depreciation charges	14 84,003	55,944
Investment income	7 (39,687)	(4,703)
Loss on the sale of fixed assets	837	188
Decrease/(increase) in debtors	15 227,031	(429,891)
Increase in creditors	17 113,905	166,407
Net cash provided by operating activities	375,290	41,951

23. Analysis of cash and cash equivalents at bank and in hand

	2023 £	2022 £
Cash and cash equivalents at bank and in hand	2,419,607	2,024,068
Total cash and cash equivalents	2,419,607	2,024,068

24. Analysis of changes in net debt

	At 1 January 2023 £	Cash flows £	At 31 December 2023 £
Cash and cash equivalents at bank and in hand	2,024,068	395,539	2,419,607
	2,024,068	395,539	2,419,607

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

25. Pension commitments

The Company operates a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £112,520 (2022 - £102,695). At the year end, there were outstanding contributions of £NIL included in Other creditors (2022 - £NIL).

26. Related party transactions

During the period ending 31 December 2023, the sum of £1,650 was paid (2022 - £NIL) to Geordiedav Productions Ltd, a company of which Executive Committee member Mr David Taylor is a Director, for the provision of line management to the Liberty Investigates team. At 31 December 2023 £550 (2022 - £NIL) was due but not yet paid to Geordiedav Productions Ltd, and is included within creditors due within one year.

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