

GOOD LAW Project

Our Finances



We maintained our income and reduced our legal liabilities, expanding our capacity to grasp future opportunities and adapt in a challenging environment.

About Good Law Project

As the world changes, Good Law Project changes too. With Donald Trump tipping the US ever further into authoritarianism, the far right is on the rise all across the world. And the UK is no exception. Nigel Farage is poisoning our politics, putting hard-won rights and marginalised people at risk.

At Good Law Project, we're working tirelessly to fight hatred and bring hope. Our supporters have continued to back us despite the ongoing cost of living crisis, and we've taken decisive action to reduce our legal liabilities.

While our income from major

donors continues to increase, the bulk of our funding comes from small donations. Drawing on this wide base of support, we can mobilise people quickly and keep holding power to account without fear or favour.

With the backing of our supporters and our careful management of resources, Good Law Project can react at pace to seize opportunities and take on the toughest opponents.

When billionaires and ideologues threaten us, it's time to draw a line in the sand. **We're fighting back against intolerance, cronyism and hate, because injustice is not inevitable.**

Summary

In 2024-2025, we raised £4.5m, compared to £4.7m the previous year. Our expenditure decreased from £4.8m in the previous year to £4.7m.

Our income from regular donations amounted to £3.2m, and we also received £673,000 in one-off general and earmarked donations. These vital income streams enabled us to deliver our legal campaigns and maintain a sustainable organisation. Although our income from individuals or organisations giving us £1,000 or more increased a little from 9% last year to 12%, we are proud that we remain overwhelmingly funded

from small donations. We expect that our major donor income stream will increase further but we are committed to our people-powered model.

We ended the year with general funds of £2.7m. As well as providing working capital, these reserves allow us to seize opportunities, weather setbacks, adapt should we face an adverse event, and manage financial risks. In addition, we continue to set aside a Legal Defence Fund, amounting to £850,000 at 31 January 2025, to underwrite any significant litigation costs risks.

Income £4.5m

70%	Regular donations
15%	Crowdfunded and one-off donations
12%	Grants and high-value donations
3%	Other

Expenditure £4.7m

38%	Litigation and other mission-related costs
36%	Campaigns, communications and fundraising costs
26%	Operational costs

	Year ended 31 January 2025 General funds £000	Year ended 31 January 2025 Earmarked funds £000	Year ended 31 January 2025 Total £000	Year ended 31 January 2024 Total £000
Income				
Regular donations	3,206	0	3,206	3,098
Crowdfunded and one-off general donations	351	322	673	1,133
Grants and high value donations	46	515	561	417
Legal costs awarded	0	0	0	1
Other income	105	0	105	50
Total income	3,708	837	4,545	4,699
Expenditure				
Litigation and other mission-related costs				
Staff costs	514	81	595	527
Legal advice and litigation costs	298	395	693	943
Research and consultancy	18	0	18	13
Other mission-related costs	390	55	445	592
Sub-total litigation and other mission-related costs	1,220	531	1,751	2,075
Campaigns, communications and fundraising costs				
Staff costs	1,115	0	1,115	899
Income processing fees charged by payment providers	187	4	191	202
Website and other supporter engagement systems	165	0	165	183
Other campaigns, communications and fundraising costs	188	33	221	230
Sub-total communications and fundraising costs	1,655	37	1,692	1,514
Operational costs				
Staff costs	596	0	596	620
Premises, administration and utilities	259	0	259	223
Travel and subsistence	28	0	28	23
Business applications and technology costs	101	0	101	78
Professional services and consultancy	111	0	111	137
Training and recruitment	88	0	88	65
Other costs including depreciation	42	0	42	43
Sub-total operational costs	1,225	0	1,225	1,189
Total expenditure	4,100	568	4,668	4,778
Result for the year	-392	269	-123	-79
Core cost contributions and fund transfers	165	-165	0	0
Result after fund transfers	-227	104	-123	-79
Reserves brought forward	3,809	517	4,326	4,405
Reserves carried forward, including Legal Defence Fund	3,582	621	4,203	4,326

Review of finances

Of the total income for the year of £4.5m, regular and one-off general donations amounted to £3.6m, in line with the prior year. We crowdfunded £322,000 during the year, down from £627,000 in the previous 12 months, as fewer of the campaigns we launched in the year required crowdfunding support. We also received £561,000 in grants and high-value donations, most of which were earmarked for specific staff roles and activities.

Our costs amounted to £4.7m, in line with expenditure of £4.8m in the previous year. These included our litigation and other mission-related expenditure; spending on campaigns, communications and fundraising, including our website, our supporter engagement systems and the income-processing fees we pay to third-party payment providers; the costs of developing our staff and our organisation; and our operational costs, which include premises and utilities, core IT costs, consultancy and professional services, staff recruitment and training, accountancy, book-keeping and administrative expenses. Operational costs support the whole organisation and are essential for the delivery of our campaigns and litigation.

Expenditure during the year included support to our law firm, Good Law Practice. Due to changes in the external legal and funding environment, in the summer of 2024 we decided to close the firm. Costs amounting to £444,000 are included in expenditure for the year, representing the continued operation during the year and then the orderly closure of the practice. A number of the staff of Good Law Practice were transferred to the direct employment of Good Law Project.

The number of full-time equivalent staff in post increased from 27.7 at 31 January 2024 to 39.3 at 31 January 2025. The increase is partly due to the transfer of staff from Good Law Practice upon its closure. Staff costs, which include employee benefits and temporary staff, are allocated between litigation and other mission-related costs; campaigns, communications and fundraising costs; and operational costs. Together they amounted to £2.3m in 2024-2025, up from £2.1m in the previous year.

We have maintained our reserves and cash balances to provide working capital for our operations and to provide resources in case of adverse events. Our cash balances amounted to £4.2m at 31 January 2025, against total liabilities of £298,000. We also have some contingent liabilities as set out in more detail below.

We try to match our expenditure on each case to the funds we raise for it and also to match our funds raised against our expenditure across our entire portfolio of litigation. We also control our exposure to costs through careful and active management of our litigation portfolio, and by maintaining the Legal Defence Fund to underwrite our potential liabilities from adverse costs arising through our litigation – defendants' costs we would have to cover should we, or a claimant we are supporting, lose a case. This fund, which stands at £850,000, is designed to underwrite such losses, which could otherwise be damaging for the organisation. The amount required is assessed by reference to our estimated contingent liabilities, as explained below. Alongside this fund, our policy is that we will continually assess litigation, and are likely to discontinue it if faced with the realistic possibility of unaffordable losses.

We ended the year with a small deficit of £123,000, slightly increased from the deficit in the previous year of £79,000.

Where funds are given to us for specific cases or activities, we respect those commitments in full and treat the funds as earmarked, segregating them in our accounts. Where we are able, we make a contribution to general funds from earmarked funds to cover the cost of staff time and other costs incurred in bringing, managing and supporting litigation and other activities for which earmarked funds have been given. This contribution amounted to £56,000 in 2024-2025.

Where deficits arise on earmarked funds, for example if we receive less income for a case than the costs we ultimately incur, we cover them from other funds which are available for those purposes (for example, unrestricted surpluses on completed legal campaigns) or from our general funds. During the year we

covered deficits of £94,000 from a range of surpluses on completed campaigns, amounting to £203,000.

We ended the year with £3.6m in our general reserves, of which £850,000 has been allocated to our Legal Defence Fund against future litigation losses, and £1.9m has been set aside in working capital and risk-based reserves designed to enable us to respond and adapt to adverse events and financial setbacks. We hold

reserves as part of our responsible financial management of Good Law Project. The funds allocated to the working capital and risk-based reserve, and the Legal Defence Fund, are in line with the levels we have assessed are required, in light of our plans for the coming year. We also hold a further £758,000 in reserves which we plan to spend in 2024-2025 on the continued development of our campaigns and organisation.

Balance sheets

	31 January 2025 £000	31 January 2024 £000
Tangible and intangible fixed assets	74	90
Cash at bank and in hand	4,248	4,940
Debtors, prepayments and accrued income	180	111
Current assets	4,428	5,051
Creditors: due in less than one year		
Creditors and accruals: litigation	66	669
Other creditors, accruals and deferred income	232	146
Current liabilities	298	815
Net current assets	4,129	4,236
Net assets	4,203	4,326
Working capital and risk-based reserves	1,900	2,350
Legal Defence Fund	850	750
Fixed asset reserve	74	90
Other general funds	758	619
Total general reserves	3,582	3,809
Earmarked reserves	621	517
Total reserves	4,203	4,326

Earmarked funds at 31 January 2025

Earmarked funds given to Good Law Project for specific campaigns or activities are segregated in our accounts to respect our donors' expectations or wishes. When a deficit arises on an ongoing campaign, where we have the prospect of further fundraising or where the costs may change depending on the legal outcome of the related case, we carry forward the deficit within our earmarked funds until such time as the case is finally settled or we have no prospect of raising further funds.

On 31 January 2025, earmarked reserves held for research, development and staffing amounted to £467,000, to be spent on specific activities in the future. Surpluses of £166,000 were held on closed and live campaigns. A small deficit of £12,000 was carried forward on a campaign for which we

have future funding secured.

Where balances remain on completed campaigns they are spent in line with the commitments made to the relevant donors. Campaigns are often in progress at the year end, and even those cases which are settled legally often take some time to be settled financially. In such instances our policy is to make sure that we reflect our best assessment of the case's costs in our accounts. We do not spend any estimated surplus until the final financial result of the case is known. Any deficit arising, once a case is settled financially, is covered from our general funds, or from other campaign surpluses where this is in line with the commitments made to donors in those campaigns.

<i>Fund</i>	Held at 31 January 2025 £000	Held at 31 January 2024 £000
<i>Grants and earmarked donations (for development, research and staffing)</i>	467	349
<i>Closed case surpluses available</i>		
- For general litigation	45	0
- For litigation on specific themes	52	0
<i>Sub total</i>	97	0
<i>Live cases in surplus</i>	69	168
<i>Funds in surplus</i>	633	517
<i>Live cases with deficits at 31 January</i>	-12	0
<i>Total earmarked funds (net)</i>	621	517

Potential future liabilities

When we, or a claimant we are indemnifying, lose a case, Good Law Project must sometimes bear costs incurred by the defendant, as well as covering its own costs in relation to the litigation. Whether any of these liabilities will crystallise is contingent on the outcome of the case, or on the outcome of the final negotiations in relation to costs, which are uncertain.

Going into 2025-2026, we significantly reduced the contingent liabilities arising in relation to our strategic litigation portfolio. At 31 January 2025, we estimated the potential liability for such adverse costs to be £10,000 over and above any liabilities already incurred or provisions made for such costs, arising from one case.

When appropriate, for example where the adverse costs are expected to be substantial and the law permits, we apply for a court order “capping” the amount to be paid towards the defendant’s costs in the event that we lose the case, or, in instances where Good Law Project is the funder of the litigation, we support the claimant to seek such an order. However, cost-capping applications can only be made in certain circumstances and at certain points in the life of the litigation. We also sometimes

mitigate potential liabilities in cases where we are funding litigation brought by other claimants, by capping the indemnity offered to those claimants.

We have also estimated our own future legal costs for the cases in our strategic litigation portfolio, less the funds we have raised to 31 January 2025 for each case. This estimated future liability amounts to £299,000. Against this, we are holding surpluses at 31 January 2025 of £164,000 on cases that have been discontinued or completed, which we have promised our donors we will spend on future litigation. We expect to be able to fundraise for any remaining balance that is required to cover our own costs.

In summary, at 31 January 2025, we estimated potential net liabilities of £144,000 across our litigation portfolio against our Legal Defence Fund of £850,000. We are also planning a number of cases which will progress in the upcoming year which will increase our contingent liabilities materially, but which are at an early stage where estimates of potential future liabilities cannot yet be confirmed. We have therefore taken these plans into account in setting aside £850,000 within the Legal Defence Fund at 31 January 2025.