

**THE COUNCIL OF THE INNS OF COURT  
(Company Limited by Guarantee)**

**REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**Company Number: 08804708  
Charity Number: 1155640**

# THE COUNCIL OF THE INNS OF COURT

## REFERENCE AND ADMINISTRATIVE DETAILS

### FOR THE YEAR ENDED 31 DECEMBER 2019

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<b>Status</b>	The organisation is a charitable company limited by guarantee, incorporated 6 December 2013 and registered as a charity on 5 February 2014. The charitable company commenced operations on 1 July 2014.
<b>Governing Document</b>	The charity is controlled by its memorandum and articles of association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.
<b>Company Number</b>	08804708
<b>Charity Number</b>	1155640
<b>Registered Office</b>	9 Gray's Inn Square London WC1R 5JD
<b>Trustees</b>	All Trustees served throughout the year and thereafter except where stated:  Janet Bignell QC (appointed 2 July 2019) Desmond Browne QC Helen Davies QC Gregory Dorey CVO Anthony Harking OBE His Honour Judge Peter Lodder QC Duncan Matthews QC Guy Perricone Anne Sharp David Southern QC (resigned 1 July 2019)
<b>Bankers</b>	Royal Bank of Scotland 5 – 10 Great Tower Street London EC3P 3HX
<b>Auditors</b>	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG

# **THE COUNCIL OF THE INNS OF COURT**

## **TRUSTEES' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2019**

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The Trustees are pleased to present their annual Trustees' Report together with the financial statements for the year ended 31 December 2019 which are also prepared to meet the requirements of a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) (effective 1 January 2015).

### **CONSTITUTION**

The Council of the Inns of Court ("COIC") is set up under its Memorandum and Articles of Association, registered as a Company Limited by Guarantee, registration number 08804708 and is registered with the Charity Commission under the Charities Act 2011, registration number 1155640.

COIC was incorporated as a charitable company limited by guarantee on 6 December 2014. For the purposes of the Companies Act 2006 the Board of Trustees is regarded as the Board of Directors of the company.

The liability of the Trustees, being members of the charitable company, is limited. Every member of the charitable company undertakes to contribute to the assets of the charitable company in the event of the same being wound up whilst he is a member, or within one year after he ceases to be a member, for the payment of the debts and liabilities of the charitable company contracted before he ceased to be a member and for such costs, charges and expenses of the winding up, and for the adjustment of the rights of the contributions among themselves, such amounts as may be required, not exceeding one pound.

### **OBJECTIVES AND ACTIVITIES**

**The objects of the council are:**

1. To advance education in the administration and practice of the law and related disciplines, including by providing courses, training and educational materials, and by promoting, undertaking, and publishing research;
2. To promote the sound administration of the law, including by: promoting high standards of advocacy to support the rule of law; and overseeing and enforcing professional standards of conduct in relation to the provision of advocacy and related legal services, in each case, anywhere in the world and for the public benefit.

### **Strategic Aims**

The strategic aims in pursuit of the above charitable objects are to:

1. Become an Authorised Education and Training Organisation (AETO) to deliver a new Bar Course that will replace the Bar Professional Training Course (BPTC);
2. Provide leadership and guidance in advocacy training and professional ethics;
3. Provide a forum in which the Inns and other advocacy trainers can meet and share information on advocacy;
4. Research & disseminate materials and best practice in advocacy and advocacy training;
5. Organise educational training and other events;
6. Communicate with all interested persons and organisations regarding advocacy standards and training;
7. Liaise and cooperate with legal jurisdictions outside of England and Wales in the provision of advocacy training and training of trainers;
8. Provide a hearings service that is efficient, effective, timely, professional and transparent and one that uses up to date practices and approaches;
9. Facilitate high quality decision-making in the public interest;
10. Provide independence and clear separation of the adjudicatory function from the prosecuting role of the Bar Standards Board.



# THE COUNCIL OF THE INNS OF COURT

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2019

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#### Objectives

A number of objectives were set for 2019, amongst the most significant were to:

1. To apply to the Bar Standards Board (BSB) to become an Authorised Education and Training Organisation (AETO) to deliver a new Bar Course that will replace the Bar Professional Training Course (BPTC);
2. To apply to an institution with Degree Awarding Powers to become an academic partner and the Office for Students to be registered as an higher education provider;
3. To set up a student registry for students of the proposed Bar Course;
4. To create and develop a new modern website and a Virtual Learning Environment;
5. To review the ICCA committee structure;
6. To create the Bar Course training materials for online and face to face training;
7. To work with the Family Law Bar Association to create materials for an advocacy and the Vulnerable training course and coordinate the training of Lead Facilitators;
8. To continue to provide advocacy training in other legal jurisdictions;
9. To provide and review practitioner training including training in the examination of expert witnesses and case analysis;
10. To deliver disciplinary and other hearings efficiently and in accordance with all the applicable standards and regulations, and to demonstrate this by producing and making publicly available an Annual Report on these activities;
11. To recruit high quality lay and legally qualified members to serve on BTAS Hearing Panels from as wide a background as possible;
12. To provide comprehensive induction and refresher training on all key aspects of their role for all new and existing members of the BTAS Panel;
13. To develop new rules and processes for the Inns' Conduct Committee that accord with and give effect to new Guidelines issued by the Bar's regulator, the Bar Standards Board, for determining if a person is fit and proper to become a barrister.

#### Public Benefit

In determining strategy and activity the Trustees had regard to the Charity Commission's guidance on public benefit. COIC exists to:

1. Advance education in the administration and practice of the law, principally through the activities of the [Inns of Court College of Advocacy](#), by providing leadership, guidance and co-ordination in relation to the pursuit of academic and professional excellence for the bar.
2. Enforce professional standards of conduct amongst barristers through the activities of the [Bar Tribunals and Adjudication Service](#), for example:
  - i. Appointing and administering Disciplinary Tribunals for barristers facing charges of professional misconduct. Tribunals are open to the public, and the charges and findings of the Tribunals are published in the public domain;
  - ii. Appointing and administering Interim Suspension Panels and Fitness to Practice Panels for barristers;
  - iii. Appointing and administering Inns' Conduct Committee Hearings to consider admission and disciplinary cases brought against individuals aspiring to be called to the bar of England and Wales, and so determine whether they are fit and proper to be practising barristers;and doing so at no cost to the public or those involved in the hearing process.



## **THE COUNCIL OF THE INNS OF COURT**

### **TRUSTEES' REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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#### **ACHIEVEMENTS AND PERFORMANCE**

1. We successfully applied to the Bar Standards Board to become an authorised AETO to deliver a new Bar Course which replaces the old BPTC. We received authorisation in July.
2. We successfully applied to the Office for Students to become registered as a Higher Education Provider and we successfully applied to King's College London to have our course validated by them as our academic partner so that our students will receive a PGDip in Bar Practice upon successful completion of their studies.
3. We set up a student registry staffed with a Registry Services Manager and a Management Information and Planning Manager led by the Operations Manager who deal with all student related queries in collaboration with the Bar Course Leader.
4. We have launched a new ICCA website and procured a bespoke Virtual Learning Environment for the Bar Course.
5. We have reviewed all of the ICCA Governance and Committee structures and signed off Terms of reference for all of them.
6. We have created Part One Bar Course materials to the point of testing and readiness for delivery in September 2020.
7. We have developed an FLBA Advocacy and the Vulnerable Course and trained 8 FLBA Facilitators who are now qualified to deliver training to FLBA delegates.
8. We have delivered advocacy training in 8 different jurisdictions between February 2019 and November 2019.
9. We continue to offer Expert witness training courses and delivered 2 courses in March 2019. We have developed a Case Analysis Manual which is under review.
10. We delivered disciplinary and other hearings efficiently and in accordance with all the applicable standards and regulations, and to demonstrate this by producing and making publicly available an Annual Report on these activities for review by the BTAS Strategic Advisory Board;
11. We successfully recruited high quality lay and legally qualified members to serve on BTAS Hearing Panels from a wide variety of backgrounds bringing the total number of Panellists and Clerks to the required 54;
12. We provided comprehensive induction and refresher training on all key aspects of their role for all new and existing members of the BTAS Panel with a focus on structured decision making and unconscious bias;
13. We developed new rules and processes for the Inns' Conduct Committee that accord with and give effect to new Guidelines issued by the Bar's regulator, the Bar Standards Board, for determining if a person is fit and proper to become a barrister. These new rules and processes came into effect on 1 January 2020.

The charity does not fundraise with members of the public and have had no fundraising complaints in the year.

#### **FINANCIAL REVIEW**

The total income for the year of £3,103,613 (2018 - £1,856,405) comprised grants of £3,100,864 (2018 - £1,830,272) from the Inns of Court and grants and other income from other organisations of £2,749 (2018 - £20,000; plus training fees and sundry income of £6,133).

After deducting expenditure of £2,528,110 (2018 - £1,752,296) the charity made a surplus of £575,503 (2018 - £104,109). This was with the approval of the Trustees.

The Trustees regularly assess major risks to which the charity is exposed, in particular operational and financial risks. COIC has devised and put in place a detailed Disaster Recovery and Business Continuity Plan. We confirm that, for each identified risk, there are defined monitoring, control and review systems, with specific allocation of responsibilities in place.

During the course of 2020 a COIC 'Audit and Risk' Committee is being established to advise and support the Trustees on their work in this area. This will be chaired by an individual not connected with COIC or the Inns of Court to ensure externality and independent scrutiny.

## THE COUNCIL OF THE INNS OF COURT

### TRUSTEES' REPORT

#### FOR THE YEAR ENDED 31 DECEMBER 2019

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Key Risks include:

1. In 2020 the ongoing and potential future impact of the Coronavirus is a new and clear risk to all organisations. COIC is mitigating its impact and adhering to government advice by enabling all staff to work from home, and only delivering online events and training. Any resumption of 'normal' activity will only take place when, in accordance with government advice, it is safe to do so and after thorough risk assessments have been conducted. The ICCA Bar Course is, by happenstance, not directly impacted by the pandemic at present – its first students are due to commence the online-only Part One course in September 2020 with the first face-to-face teaching not scheduled to commence until March 2021. Contingency plans are being considered as a precautionary measure for blended or online delivery of the face-to-face course should this prove to be necessary.
2. Failure to meet recruitment targets for the ICCA Bar Course will lead to a reduction in fee income which will impact on cashflow and ultimately may affect the viability of the course. To be mitigated by using funds from the reserves and efficiency savings (for cashflow issues) and evaluating and revising the ICCA's recruitment strategy (to increase future student numbers).
3. Adverse findings about any aspect of the ICCA Bar Course by any of its regulatory or authorising bodies may cause reputational damage and affect the viability of the course. To be mitigated by ensuring the course (in design, delivery and governance) is of the highest standard, and quantitative and qualitative data is constantly collected and analysed to ensure this can be effectively monitored. Loss of access to Tribunal suite or COIC Offices (due to fire or other cause). To be mitigated by disaster recovery processes including the use of venues in the Inns of Court to continue to deliver Tribunals or transfer administrative work between locations or deliver hearings online when it is appropriate to do so;
4. Tribunals and other hearings not delivered in accordance with the applicable regulations / processes leading to legal challenge / costs against COIC. To be mitigated by Tribunal Panel Member & staff training, rules & standard operating procedures, supported by regular appraisals. Insurance is in place to minimise financial risk to the charity;
5. As a small organisation COIC is more exposed than larger ones to significant levels of staff turnover – the impact of even a small number of staff leaving simultaneously could impact on our ability to deliver. To be mitigated as above by SOPs, appraisal, training and flexibility of staff (with cross-skilling across key functions).

While COIC is almost entirely dependent on the four Inns of Court for its funding, the probability of funds not being forthcoming is extremely low. The Inns have repeatedly confirmed their commitment to COIC, and annual confirmation is provided that they will continue to provide support and funding. Additionally, COIC has not taken on liabilities beyond this, and in 2019 the Inns agreed a 'Deed of Undertaking' that made their commitment to financially support the ICCA Bar Course legally enforceable.

The development of the ICCA, and in particular the development and delivery of the ICCA Bar Course, is a major undertaking. This will require continued careful planning of staff levels, resources and finance supported by careful management by staff and oversight / governance by the Trustees and Board of Governors.

#### RESERVES POLICY

The Board of Trustees have resolved that the sums equivalent to one month's income be held in reserve, which for 2019 amounted to £210,676 (2018 - £154,700). The reserve is held to meet any short-term cash flow needs and to meet any additional costs incurred should COIC cease trading.

In setting this level of reserve, the Board of Trustees noted the undertaking given by each of the four Inns of Court in their annual grant letter:

"The Inn undertakes to give the Charity three months' notice, or a further grant equivalent to three months' running costs of the Charity, if the Inn decides not to make a grant in future years or decides to substantially reduce the grant such that the Charity is not able to meet its running costs".



## THE COUNCIL OF THE INNS OF COURT

### TRUSTEES' REPORT

#### FOR THE YEAR ENDED 31 DECEMBER 2019

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During this year of account, the actual level of free reserves amounted to £1,024,488 (2018 - £442,594), which exceeds the target by £813,812 (2018 - £287,894). This is a consequence of the charity's work towards the launch of its Bar Course in September 2020, which has resulted in a de-prioritisation of other planned activities (and a consequent reduction in expenditure from the budgeted grant income). The Trustees of the charity have agreed that it was appropriate to temporarily allow the reserves to grow in excess of the agreed policy, since this reduced the need for additional funding from the Inns to be requested during 2020 in support of both COIC's operational costs and a planned office move to a new location.

#### PLANS FOR FUTURE PERIODS

A number of aims and objectives have been set for 2020, of which the most significant are:

1. Deliver an online Part One Bar Course to recruited students of the ICCA with effect from September 2020
2. Recruit a cohort of students which is diverse and in keeping with our policy for Fair Recruitment and E&D based outreach activities
3. Create a film featuring successful female judges and barristers to celebrate the anniversary of 100 years of Women in Law. Each participant will discuss a key feature of practice or advocacy at the Bar.
4. Develop a set of guiding Principles of remote Advocacy for the successful delivery of advocacy while participating in online hearings and to distribute the Principles globally.
5. Review and deliver an updated version of the Guidance on Expert Evidence and launch it in time for the Autumn suite of Expert Conferences
6. Continue to review and develop the Criminal Advocacy and the Vulnerable Course in terms of content and delivery and to evaluate the success of the 20 Principles of Questioning in practice.
7. Offer online advocacy training to pupils who cannot access the courts and continue to hone their advocacy skills during the outbreak of coronavirus.
8. Take part in and deliver advocacy training to students considering a career at the Bar in collaboration with the Bar Council
9. Consider the possibility of creating Pupillage Ethics materials to assist pupils to prepare for the BSB Pupillage Ethics assessments from January 2022.
10. Manage the workloads of staff working from home during Covid-19 and pay special attention to the wellbeing of staff in light of additional familial difficulties and responsibilities.
11. Apply for a Certificate of Recognition for efforts to provide Bar students with wellbeing advice for resilience at the Bar, managing anxiety and surviving in practice
12. Create a Careers Hub of advice for Bar students and recruit a Careers Director to guide students through the process of pupillage application from September 2020.
13. Recruit and train External Observers of Qualifying Sessions;
14. Recruit a new Chair of the BTAS Strategic Advisory Board and replace other timed out members;
15. Develop facilities and staff capabilities to host online Tribunal Hearings;
16. Undertake an internal review of the BTAS Sanctions Guidelines with a view to undertaking an open consultation in 2021.



## **THE COUNCIL OF THE INNS OF COURT**

### **TRUSTEES' REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The Board of Trustees is responsible for the overall management of COIC but delegates responsibility for the day-to-day management to its Director, within a framework of agreed policies and controls. At 31 December 2019 the Board comprised 9 Trustees. COIC aims to ensure that its Board is properly balanced in terms of gender, ethnicity, disability representation and skills and experience relevant to COIC activities. The Board of Trustees meets at least six times a year.

The Board of Trustees is assisted in its work by a Strategic Advisory Group made up of representatives from the Inns, the Bar Council and the Bar Standards Board. With regards to the work of the Inns of Court College of Advocacy the Trustees are assisted by a board of Governors and its sub-committees. With regards to the work of the Bar Tribunals Service, the Trustees are assisted by the input of the BTAS Strategic Advisory Board.

One new Trustee was appointed midway through 2019. To aid induction we insure, wherever possible, that new Trustees attend meetings prior to taking up post. COIC Trustees received written briefings prior to each meeting. Full guidance on Trustee duties is made available and new Trustees are met in person to review roles, structures, priorities and responsibilities

The Trustees are responsible for setting the pay and remuneration of the charity's employees including the key management personnel. Salary and pension payments to all COIC personnel are approved by the Trustees as part of the annual budget process, and over the more than seven years of the charity's operations this has resulted in near-inflationary increases that applied equally to all staff without regard to seniority. To aid the Trustees in determining what (if any) percentage increase is appropriate as part of this annual pay review process, research is undertaken to confirm the pay increases awarded in comparable organisations (most notably the four Inns of Court). In addition, a Role Review process is in operation that enables COIC to benchmark its salary payments to staff against that of similar roles performed elsewhere, based on data collected by an independent and professional third party. The recruitment of any additional staff requires approval from the Trustees, who also agree the starting salary level so that they are compatible with those paid for similar roles elsewhere.

#### **TRUSTEES' RESPONSIBILITIES STATEMENT**

The Trustees (who are also Directors of COIC for the purpose of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting standards 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 charitable company will continue in business.

## THE COUNCIL OF THE INNS OF COURT

### TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

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The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time of the financial position of the charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as we are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The Trustees 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.

By order of the Board on                      and signed on its behalf by:

Signed: *Desmond Browne*

(Trustee)

Name: *DESMOND BROWNE*

Date: *22. ix. 20*



## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF THE COUNCIL OF THE INNS OF COURT

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#### Opinion

We have audited the financial statements of the Council of the Inns of Court for the year ended 31 December 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, 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 charitable company's affairs as at 31 December 2019 and of the charitable company's net movement in funds, including the 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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.

#### Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 6, the trustees (who are also the directors of the charitable 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 trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable 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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

#### Auditor's 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 auditor's 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.

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 auditor's report.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.



## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF THE COUNCIL OF THE INNS OF COURT (continued)

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#### Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

#### Opinions 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 Trustees' Annual Report (which incorporates the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report (which incorporates the directors' report) has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the directors' report).

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

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees 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 trustees' report and from the requirement to prepare a strategic report.

#### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Thomas Wilson**  
**(Senior Statutory Auditor)**  
**for and on behalf of Haysmacintyre LLP**  
**Statutory Auditor**

**10 Queen Street Place**  
**London**  
**EC4R 1AG**

Date: 5 October 2020

**THE COUNCIL OF THE INNS OF COURT**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
<b>INCOME AND ENDOWMENTS FROM:</b>					
Donations and legacies	2	3,100,864	-	3,100,864	1,830,272
Charitable activities	3	-	-	-	20,000
Other income		2,749	-	2,749	6,133
<b>TOTAL</b>		<u>3,103,613</u>	<u>-</u>	<u>3,103,613</u>	<u>1,856,405</u>
<b>EXPENDITURE ON:</b>					
<b>Charitable activities</b>					
Training		1,885,420	26,880	1,912,300	1,250,819
Regulation		642,690	-	642,690	501,477
<b>TOTAL</b>	4	<u>2,528,110</u>	<u>26,880</u>	<u>2,554,990</u>	<u>1,752,296</u>
<b>NET INCOME/(EXPENDITURE)</b>		575,503	(26,880)	548,623	104,109
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		<u>472,547</u>	<u>26,880</u>	<u>499,427</u>	<u>395,318</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>£1,048,050</u>	<u>-</u>	<u>£1,048,050</u>	<u>£499,427</u>

None of the company's activities were acquired or discontinued in the year.

There were no recognised gains or losses other than those included in the Statement of Financial Activities.

# THE COUNCIL OF THE INNS OF COURT

## BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019 £	2018 £
<b>FIXED ASSETS</b>			
Tangible assets	7	23,562	29,953
<b>CURRENT ASSETS</b>			
Debtors	8	117,072	146,790
Cash at bank and in hand		1,090,738	469,535
		1,207,810	616,325
<b>CREDITORS:</b> Amounts falling due within one year	9	(183,322)	(146,851)
Net current assets		1,024,488	469,474
<b>NET ASSETS</b>		1,048,050	£499,427
<b>FUNDS</b>			
Restricted Funds	11	-	26,880
Unrestricted funds		1,048,050	472,547
<b>TOTAL FUNDS</b>		£1,048,050	£499,427

The accounts were approved by the Trustees and authorised for issue on

and signed on its behalf by:

Signed: *Desmond Browne*

(Trustee)

Name: *DESMOND BROWNE*

Date: *22. ix. 20*

Signed: *A D Harking*

(Trustee)

Name: *A D HARKING*

Date: *2 October 2020*



**THE COUNCIL OF THE INNS OF COURT**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

	<b>2019</b> <b>£</b>	<b>2018</b> <b>£</b>
<b>Cash flows from operating activities:</b>		
Net cash provided by operating activities (see below)	<u>629,106</u>	<u>111,947</u>
<b>Cash flows from investing activities:</b>		
Purchase of fixed assets	<u>(7,903)</u>	<u>(5,793)</u>
Net cash used in investing activities	<u>(7,903)</u>	<u>(5,793)</u>
Change in cash and cash equivalents in the year	621,203	106,154
Cash and cash equivalents at the beginning of the year	<u>469,535</u>	<u>363,381</u>
<b>Cash and cash equivalents at the end of the year</b>	<u><u>£1,090,738</u></u>	<u><u>£469,535</u></u>
<b>Reconciliation of net income to net cash flow from operating activities</b>		
Net income for the reporting period (as per the statement of financial activities)	548,623	104,109
Add depreciation	14,294	13,245
(Increase)/decrease in debtors	29,718	(85,488)
Increase/(decrease) in creditors	<u>36,471</u>	<u>80,081</u>
<b>Net cash provided by operating activities</b>	<u><u>£629,106</u></u>	<u><u>£111,947</u></u>

**THE COUNCIL OF THE INNS OF COURT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**1. ACCOUNTING POLICIES**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of financial statements is as follows:

**Basis of Accounting**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Council of the Inns of Court 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 note(s).

**Preparation of the accounts on a going concern basis**

Having considered future budgets and cash flows as well as the impact of Covid-19, the Trustees confirm that they have no material uncertainties about the entity's ability to continue as a going concern for the foreseeable future.

**Income**

All incoming resources are included in the SOFA once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. The following specific policies apply to categories of income:

Voluntary income Donations & Grants where related to performance and specific deliverables are accounted for as the charity earns the right to consideration by its performance. Where income is received in advance of its recognition it is deferred and included in creditors. Where entitlement occurs before income being received the income is accrued.

**Expenditure**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to the following categories:

Charitable Activities – Costs of charitable activities comprise all costs identified as wholly or mainly attributable to achieving the charitable objectives of the charity, including the costs of disseminating information in support of charitable activities. These costs include staff costs, wholly or mainly attributable support costs and an apportionment of general overheads.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include office costs, finance, personnel, payroll and governance costs which support the Council's activities. The basis on which support costs have been allocated are shown below.

Governance costs – These comprise all costs identified as wholly or mainly attributable to ensuring the public accountability of the charity and its compliance with regulations.

**Allocation of costs**

Staff costs are allocated by the Trustees between direct charitable expenditure and support expenditure on the basis of time spent on these activities. Other costs are ascribed directly to the relevant heading.

# THE COUNCIL OF THE INNS OF COURT

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 1. ACCOUNTING POLICIES (continued)

##### **Pension costs**

The Council of the Inns of Court operates a defined contributions scheme for the benefit of the employees. The assets of the Scheme are held independently from those of the charity in an independently administered fund. The pension costs charged in the financial statements represent the contributions payable during the year.

##### **Taxation**

No provision has been made for corporation tax or deferred tax for The Council of the Inns of Court as it is a registered charity and is therefore exempt.

##### **Restricted funds**

Where grants are to be spent in accordance with terms agreed with the funders, the income and related expenditure are shown as 'Restricted'. Any unspent restricted income at the year end is deferred for spending in future years.

##### **Unrestricted funds**

Core income and such other income for which there are no restrictions on the way it can be spent are termed 'Unrestricted'. Such unspent income at the year end is termed 'Unrestricted funds'.

##### **Fixed assets**

All fixed assets are stated at cost less accumulated depreciation. Items costing less than £500 are not capitalised. The carrying values of other tangible fixed assets are reviewed for impairment if events or change in circumstances indicate the carrying value may not be recoverable.

Depreciation is provided at rates calculated to write off the cost, less any estimated residual value, of each asset evenly over its expected useful life, as follows:

Computer equipment	4 years
Office furniture	4 years

##### **Debtors**

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

##### **Cash at bank and in hand**

Cash at bank and in hand includes bank accounts, 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.

##### **Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

##### **Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

##### **Estimation uncertainty**

In the view of the Trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.



**THE COUNCIL OF THE INNS OF COURT**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

**2. VOLUNTARY INCOME**

	<b>2019</b>	<b>2018</b> £
Grants received from the Inns of Court towards general activities	<u>£3,100,864</u>	<u>£1,856,405</u>

**3. CHARITABLE ACTIVITIES - 2019**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2019 £</b>	<b>Total 2018 £</b>
Legal Education Fund (LEF)	-	-	-	20,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>£20,000</u>

**CHARITABLE ACTIVITIES - 2018**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2018 £</b>
Legal Education Fund (LEF)	20,000	-	20,000
	<u>£20,000</u>	<u>-</u>	<u>£20,000</u>

**4. ANALYSIS OF EXPENDITURE - 2019**

	<b>Direct Costs £</b>	<b>Support Costs £</b>	<b>Governance Costs £</b>	<b>Total 2019 £</b>	<b>Total 2018 £</b>
Charitable activities:					
Training	1,484,288	422,512	5,500	1,912,300	1,250,820
Regulation	362,930	276,080	3,680	642,690	501,476
	<u>1,847,218</u>	<u>698,592</u>	<u>9,180</u>	<u>2,554,990</u>	<u>£1,752,296</u>

**ANALYSIS OF EXPENDITURE - 2018**

	<b>Direct Costs £</b>	<b>Support Costs £</b>	<b>Governance Costs £</b>	<b>Total 2018 £</b>
Charitable activities:				
Training	880,628	366,556	3,636	1,250,820
Regulation	260,305	238,537	2,634	501,476
	<u>£1,140,933</u>	<u>£605,093</u>	<u>£6,270</u>	<u>£1,752,296</u>

**THE COUNCIL OF THE INNS OF COURT**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

**SUPPORT COSTS CONSIST OF:**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Staff costs	255,528	227,821
Other staff related costs	11,770	1,812
Establishment costs	220,880	188,344
Insurance	48,646	47,910
Finance and accounting fees	14,057	12,960
Other professional fees	67,390	61,558
Office costs	48,738	44,810
IT costs	27,141	19,390
Bank charges	709	488
	<u>£694,859</u>	<u>£605,093</u>

**5. GOVERNANCE COSTS**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Auditor's remuneration	6,900	6,200
Other professional fees	2,280	70
	<u>9,180</u>	<u>£6,270</u>

Other fees payable to the auditors amounted to £12,960 (2018: to £12,960) and are included within support costs.

No Trustees received any remuneration during the year.

**6. EMPLOYEES**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Staff costs were as follows:		
Wages and salaries	1,002,117	727,242
National insurance contributions	113,164	79,654
Pension contributions	152,826	109,925
	<u>1,268,107</u>	<u>£916,281</u>

The average number of employees during the year was as follows:

	<b>No.</b>	<b>No.</b>
Charitable activities	18	12
Management and support	2	2
	<u>20</u>	<u>14</u>

Number of employees earning between:

£70,000 - £79,999	1	1
£80,000 - £89,999	1	1
£110,000 - £119,999	1	1
	<u>3</u>	<u>3</u>

Amounts paid (salaries employer's national insurance and pension payments) to key management personnel in 2019 amounted to £306,614 (2018: £305,602).

**THE COUNCIL OF THE INNS OF COURT**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

**7. FIXED ASSETS - TANGIBLE ASSETS**

	<b>Computer Equipment £</b>	<b>Office Furniture £</b>	<b>Total £</b>
<b>COST</b>			
Balance bought forward 1 January 2019	18,453	35,008	53,461
Additions	7,903	-	7,903
	<u>26,356</u>	<u>35,008</u>	<u>61,364</u>
Balance carried forward 31 December 2019			
<b>DEPRECIATION</b>			
Balance bought forward 1 January 2019	5,548	17,960	23,508
Charge in year	5,544	8,750	14,294
	<u>11,092</u>	<u>26,710</u>	<u>37,802</u>
Balance carried forward 31 December 2019			
<b>NET BOOK VALUE</b>			
31 December 2019	<u>15,264</u>	<u>8,298</u>	<u>23,562</u>
31 December 2018	<u>£12,905</u>	<u>£17,048</u>	<u>£29,953</u>

**8. DEBTORS**

	<b>2019 £</b>	<b>2018 £</b>
Trade debtors	1,000	114,392
Prepayments	116,072	32,998
	<u>£117,072</u>	<u>£146,790</u>

**9. CREDITORS: amounts falling due within one year**

	<b>2019 £</b>	<b>2018 £</b>
Trade creditors	151,544	123,615
Accruals	31,778	23,236
	<u>183,322</u>	<u>£146,851</u>

Deferred income comprises grants received in advance.

Movements in deferred income:

Deferred income at the start of the year	-	5,000
Amounts released to income	-	(5,000)
Amounts deferred in the year	-	-
	<u>£-</u>	<u>£ -</u>
Deferred income at the end of the year		



**THE COUNCIL OF THE INNS OF COURT**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

**10. OPERATING LEASES**

The total of future minimum lease payments under non-cancellable operating leases is as follows:-

	2019 £	2018 £
In respect of operating leases expiring		
- Between one and two years	46,200	46,200
- Between two and five years	46,200	92,400
	<u>46,200</u>	<u>92,400</u>

**11. RESTRICTED FUNDS - 2019**

	Balance B/fwd 1.1.19 £	Income £	Expenditure £	Balance C/fwd 31.12.19 £
Website Development Grant	26,880	-	(26,880)	-
	<u>£-</u>	<u>£ -</u>	<u>£(26,880)</u>	<u>£-</u>

**RESTRICTED FUNDS - 2018**

	Balance B/fwd 1.1.18 £	Income £	Expenditure £	Balance C/fwd 31.12.18 £
Keble grant	1,224	-	(1,224)	-
Website Development Grant	30,000	-	(3,120)	26,880
	<u>£31,224</u>	<u>£ -</u>	<u>£4,344</u>	<u>£26,880</u>

**12. ALLOCATION OF NET ASSETS BETWEEN FUNDS - 2019**

	Unrestricted Fund £	Restricted Fund £	2019 Total £	2018 Total £
Fixed assets	23,562	-	23,562	29,953
Current assets	1,207,810	-	1,207,810	616,325
Creditors	(183,322)	-	(183,322)	(146,851)
	<u>£1,048,050</u>	<u>£-</u>	<u>£1,048,050</u>	<u>£499,427</u>

**ALLOCATION OF NET ASSETS BETWEEN FUNDS - 2018**

	Unrestricted Fund £	Restricted Fund £	2018 Total £	2017 Total £
Fixed assets	29,953	-	29,953	37,405
Current assets	589,445	26,880	616,325	424,683
Creditors	(146,851)	-	(146,851)	(66,770)
	<u>£472,547</u>	<u>£26,880</u>	<u>£499,427</u>	<u>£395,318</u>

## THE COUNCIL OF THE INNS OF COURT

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2019

#### 13. RELATED PARTY TRANSACTIONS

Four of the charity's Trustees are employed as Sub/Under-Treasurers of the Inns of Court, as follows:

Gregory Dorey CVO – Sub-Treasurer of the Honourable Society of the Inner Temple  
Anthony Harking OBE – Under-Treasurer of the Honourable Society of Gray's Inn  
Guy Perricone - Under-Treasurer of the Honourable Society of the Middle Temple  
Anne Sharp - Under-Treasurer of the Honourable Society of Lincoln's Inn

In addition each of the four Inns nominates one of its senior members to serve as its representative Trustee, as follows:

Janet Bignell QC - The Honourable Society of Lincoln's Inn  
Helen Davies QC - The Honourable Society of the Inner Temple  
His Honour Judge Peter Lodder QC - The Honourable Society of the Middle Temple  
Duncan Matthews QC - The Honourable Society of Gray's Inn

The other trustee, Desmond Browne QC, acts as the President and is a senior individual of one of the Inns (in the current President's case, the Honourable Society of Gray's Inn).

The charity has the following transactions with the Inns:

- All of the Trustees are representatives of an Inn of Court and it is from the Inns that grants of £3,100,864 (2018: £1,856,405) are received towards general activities.
- Provision of IT Support (for which COIC paid Gray's Inn £14,316 in 2019 (2018 - £14,316)) and HR support (for which COIC paid Middle Temple £4,500 in 2019 (2018 - £3,600)).
- Payments for lunches (for which COIC paid the four Inns a total of £23,415 in 2019 (2018 - £17,401)), postage (at cost), accommodation (for which COIC paid Gray's Inn £174,420 in 2019 (2018 - £138,241)), room hire, catering and provision of payroll processing (for which COIC paid Middle Temple £4,500 in 2019 (2018 - £3,600)).

The charity paid £3,686 for social media support to J Gibbs who is the son of Lynda Gibbs, the Dean of the ICCA. This transaction was at arm's length.

There were no other related party transactions in the year.

#### 14. FINANCIAL INSTRUMENTS

	2019 £	2018 £
Financial assets measured by amortised cost (Financial assets include trade and other debtors)	<u>117,072</u>	<u>£114,392</u>
Financial liabilities measured by amortised cost (Financial liabilities include trade creditors)	<u>151,544</u>	<u>£123,615</u>

THE COUNCIL OF THE INNS OF COURT

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

15. FINANCIAL INFORMATION - 2018  
STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £
<b>INCOME AND ENDOWMENTS FROM:</b>			
Donations and legacies	1,830,272	-	1,830,272
Charitable activities	20,000	-	20,000
Other income	6,133	-	6,133
<b>TOTAL</b>	<b>1,856,405</b>	<b>-</b>	<b>1,856,405</b>
<b>EXPENDITURE ON:</b>			
<b>Charitable activities</b>			
Training	1,246,475	4,344	1,250,819
Regulation	501,477	-	501,477
<b>TOTAL</b>	<b>1,747,952</b>	<b>4,344</b>	<b>1,752,296</b>
<b>NET INCOME/(EXPENDITURE)</b>	<b>108,453</b>	<b>(4,344)</b>	<b>104,109</b>
<b>RECONCILIATION OF FUNDS</b>			
Total funds brought forward	364,094	31,224	395,318
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>£472,547</b>	<b>£26,880</b>	<b>£499,427</b>

16. POST BALANCE SHEET EVENT

In light of the emergence and spread of the coronavirus (COVID-19), the Charity is monitoring the situation very closely to assess the potential impact on its operations, this is considered to be a non-adjusting post balance sheet event.

The Charity is likely to see an impact on some of its operations relating to income in the year to 31 December 2020. The trustees are uncertain of the extent of this impact and therefore it cannot be accurately quantified.

The trustees have prepared a budget and forecast to plan for the above, including any reasonably foreseeable mitigating factors and the Trustees are comfortable that the Charity can continue as a going concern for the foreseeable future.