

THE SOCIETY OF CONSTRUCTION LAW

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

THE SOCIETY OF CONSTRUCTION LAW
OFFICERS AND PROFESSIONAL ADVISERS

COUNCIL MEMBERS

Lord Justice Jackson (President)
Christopher Ennis (Chairman)
Jonathan Cope (Vice Chairman)
Richard Bailey (Treasurer)
Jonathan Pawlowski (Secretary)
Lauren Adams
Murray Armes
Paul Battrick
James Bowling
Ronan Champion
Shy Jackson
Keith Kirkwood
Hamish Lal
Anthony Lavers
Peter Phillippo
Rebecca Shorter
John Tackaberry
Jessica Tresham
Mark Wheeler
Sarah Williams

ACCOUNTANTS

McKenzies Group
Chartered Accountants
2 Station Road West
Oxted
Surrey
RH8 9EP

AUDITORS

RSM UK AUDIT LLP
Chartered Accountants
STC House
7 Elmfield Road
Bromley
Kent
BR1 1LT

THE SOCIETY OF CONSTRUCTION LAW
REPORT OF THE MEMBERS OF THE COUNCIL

The Council have pleasure in submitting the report and accounts of the Society of Construction Law for the year ended 31 December 2016.

The Society of Construction Law was established to promote for the public benefit, education, study and research in the field of construction law and related subjects both in the UK and overseas. An elected council comprising of 20 members runs the society; there are 4 officers who are also members of the council. The Society is governed by its constitution which was last amended and adopted on 16 May 2012.

TREASURER'S REVIEW

In the last year the meetings income of the Society has remained in line with that in 2015 at £187,613 (2015: £187,900). The income from subscriptions has seen an increase of £19,547 due to growth in membership during the year. Costs have been kept under control, with the result that the accounts continue to show a surplus of income over expenditure after taxation of £67,046 (2015: £50,196).

We owe much of our ongoing success to the support provided by Jill Ward, Frances Whitehead, Edward Peters our webmaster and Simon Hogg for IT support. Thanks also go to support from our President, past Chairmen, McKenzies our accountants, RSM our Auditors, our other consultants and to our regional representatives who provide so much support.

The Society has produced a net surplus in the last year. The Society remains in a sound and improving financial position in what are still uncertain financial times.

DONATIONS

Donations of £4,000 were made to Macmillan Cancer Support, £2,000 to The Lighthouse Construction Industry Charity, £2,000 to CRASH, £2,000 to The Construction Industry Trust for Youths, £400 to The Personal Support Unit and £100 to The National Association of Women in Construction. (2015: £4,000 to Macmillan Cancer Support).

STATEMENT OF THE COUNCIL'S RESPONSIBILITIES

The Council is required under the constitution of the Society to have financial statements prepared for each financial year which give a true and fair view of the state of affairs of the Society as at the end of the financial year, the surplus or deficiency for that period, and that in the preparation of these financial statements;

- it has followed United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law),
- appropriate accounting policies have been used and applied consistently,
- the going concern basis has been applied,
- reasonable and prudent accounting judgements and estimates have been made.

The Council is responsible for maintaining adequate accounting records, for safeguarding the assets of the Society and for preventing and detecting fraud and other irregularities.

By order of the Council

C Ennis
Chairman
24 April 2017

**NON STATUTORY INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE SOCIETY OF CONSTRUCTION LAW**

Opinion on non-statutory financial statements

We have audited the non-statutory financial statements on pages 4 to 10. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the non-statutory financial statements:

- give a true and fair view of the state of the Society's affairs as at 31 December 2016 and of its profit for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>.

Respective responsibilities of the Members of the Council and auditor

As more fully explained in the Statement of the Council's Responsibilities set out on page 2, the Members of the Council are responsible for the preparation of the non-statutory financial statements and for being satisfied that they give a true and fair view. We have been engaged to audit and express an opinion on the non-statutory financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

This non-statutory report is made solely to the Members of the Society, for their confidential use in accordance with our engagement letter dated 31 March 2017. Our non-statutory audit work has been undertaken so that we might state to the Members of the Society those matters we are required to state to them in a non-statutory 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 Society and the Members of the Society, for our non-statutory audit work, for this non-statutory report, or for the opinions we have formed.

RSM UK Audit LLP
Chartered Accountants
STC House
7 Elmfield Road
Bromley
Kent
BR1 1LT

2017

THE SOCIETY OF CONSTRUCTION LAW

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	2015 £
Income			
Subscriptions		261,447	241,900
Sale of papers		4,742	3,119
Meetings	9	187,613	187,900
Lecture programme		-	750
ESCL book		2,967	8,613
Interest	2	1,310	1,451
Sundry income		1,249	3,726
		<u>459,328</u>	<u>447,459</u>
		=====	=====
Expenditure			
Newsletter, membership directory and publication of papers		44,781	39,599
Grants and awards		15,879	18,951
Hudson and King's prizes		3,616	4,157
Lecture programme		15,980	19,236
Advocacy training		1,888	3,428
SCL Consultant expenses	3	107,203	129,425
Bank charges		72	181
IT and Website		11,973	10,519
Audit		9,050	8,600
Subscriptions		590	570
Accountancy		9,954	6,875
Donations		10,500	4,000
Foreign exchange differences		(1,582)	150
Irrecoverable VAT		10,553	10,211
Meetings	9	151,492	141,390
Sundry		71	90
		<u>392,020</u>	<u>396,973</u>
		=====	=====
Excess of income over expenditure before taxation	4	67,308	50,486
Taxation	5	262	290
Excess of income over expenditure after taxation		<u>£67,046</u>	<u>£50,196</u>
		=====	=====

THE SOCIETY OF CONSTRUCTION LAW

STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2016

	Notes	2016		2015	
		£	£	£	£
Current assets					
Debtors	6	69,933		53,585	
Cash and cash equivalents	7	666,909		589,618	
		666,909	736,842	589,618	643,203
Current liabilities					
Creditors: Amounts due in less than one year	8	(223,933)		(197,340)	
		(223,933)		(197,340)	
Net current assets		£512,909		£445,863	
		=====		=====	
Net assets		£512,909		£445,863	
		=====		=====	
Accumulated funds					
Income and expenditure account					
Surplus brought forward		445,863		395,667	
Surplus for the year		67,046		50,196	
Income and expenditure account		£512,909		£445,863	
		=====		=====	

The financial statements on pages 4 to 10 were approved and authorised for issue by the Council on 24 April 2017 and were signed on its behalf by:

.....
R Bailey
Treasurer

.....
C Ennis
Chairman

THE SOCIETY OF CONSTRUCTION LAW
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

1. **Accounting policies**

General Information

The Society of Construction Law (“the Society”) is a society governed by its constitution.

Basis of Accounting

These financial statements have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) under the historical cost convention.

First time adoption of FRS 102

These financial statements are the first financial statements that the Society has prepared in accordance with Financial Reporting Standard 102 ‘The Financial Reporting Standard applicable in the UK and Republic of Ireland’ (FRS 102) applicable to smaller entities by the adoption of Section 1A of FRS 102. The financial statements of the Society for the year ended 31 December 2015 were prepared in accordance with previous Financial Reporting Standard for Smaller Entities (effective January 2015) (FRSSE).

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous FRSSE. Consequently, the council have amended certain accounting policies to comply with FRS 102.

There has been no impact on the reporting financial position or financial performance as shown under previous FRSSE at the date of transition to FRS 102 or in the comparative period. As a result, the Society has not presented a reconciliation and description of the effect of the transition to FRS 102.

Going Concern

The council confirm that, at the time of approving the financial statements, there is a reasonable expectation that the Society has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis continues to be adopted in the preparation of the Society’s financial statements.

Income

Subscriptions

Membership fees are included in income on a receivable basis but excluding amounts considered doubtful of collection. The subscription period runs from 1 January to 31 December. Subscriptions received after 30 September are treated as deferred income for the following year.

Meetings

Meeting income is included on a cash received basis. Meeting income received in advance is deferred to the year that the event will take place.

Other Income

All other income is recognised when receivable. Income is shown net of Value Added Tax.

THE SOCIETY OF CONSTRUCTION LAW
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be reliably measured. Irrecoverable VAT is charged directly to the Income and Expenditure account when the expenditure is recognised.

Foreign Currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Any differences are taken to the income and expenditure account.

Financial Instruments

The Society 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.

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 discounts due.

A provision for impairment of trade debtors is recognised when there is evidence that the amounts due will not be collected in accordance with the original terms. Impairment losses are recognised in the Income and expenditure accounts

Cash and Cash Equivalents

Cash and cash equivalents includes cash and short term investments.

Creditors

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

Funds held on behalf of Overseas Societies

Cash received on behalf of overseas societies is recorded in the Balance Sheet as a credit balance until it is repaid.

2. **Interest**

The interest earned in the year comprises:

	2016	2015
	£	£
Interest on National Westminster Bank Accounts	693	686
Interest on National Savings Investment Account	617	765
	-----	-----
	1,310	1,451
	=====	=====

THE SOCIETY OF CONSTRUCTION LAW
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

3. SCL Consultant Expenses	2016	2015
	£	£
During the year consultant expenses were paid in respect of:		
P Britton	3,960	11,350
S Hogg	5,798	5,255
F Patterson	9,680	12,740
E Peters	13,799	25,304
V Cracan	-	1,550
J Bertram Hillig	1,272	965
J Ward	42,659	45,498
F Whitehead	28,475	26,763
J Howard	1,560	-
	<hr/>	<hr/>
	£107,203	£129,425
	=====	=====
4. Net Income/ (Expenditure) before Taxation	2016	2015
	£	£
Net income before taxation is stated after charging:		
Auditor's Remuneration – Non-statutory audit	9,050	8,600
	<hr/>	<hr/>
No council member was remunerated during 2016 (2015: Nil).		
5. Taxation	2016	2015
	£	£
The taxation charge for the year comprises:		
Current year tax due on National Westminster Bank and National Savings Investment Accounts interest at 20.00% (2015 : 20.00%)	262	290
	<hr/>	<hr/>
6. Debtors	2016	2015
	£	£
Trade debtors	7,835	18,898
Other debtors	10,026	-
Prepayments and accrued income	52,072	34,687
	<hr/>	<hr/>
	69,933	53,585
	=====	=====

THE SOCIETY OF CONSTRUCTION LAW
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

7.	Cash and cash equivalents	2016 £	2015 £
	Cash at Bank	564,152	486,861
	National Savings Investment account	102,757	102,757
		-----	-----
		666,909	589,618
		=====	=====
8.	Creditors: Amounts falling due in less than one year	2016 £	2015 £
	Trade creditors and accruals	8,379	4,440
	Deferred income	176,759	171,968
	Accruals	17,202	19,167
	Corporation tax	220	153
	Other taxation	9,313	1,612
	Other Creditors	12,060	-
		-----	-----
		223,933	197,340
		=====	=====

Other creditors relate to monies held on behalf of international Societies of Construction Law.

THE SOCIETY OF CONSTRUCTION LAW
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

9. **Meeting and Event Income and Expenditure**

Year to 31 December 2016

	Income	Expenditure	Gross Profit/ (loss)
SCL Events – AGM	20,290	(21,264)	(974)
SCL Events – Brewery	71,680	(52,367)	19,313
SCL Events – Scottish Lunch	6,642	(4,331)	2,311
SCL Events – Leeds Lunch	16,079	(7,036)	9,043
SCL Events – Dublin Lunch	12,064	(10,723)	1,341
SCL Events – Bristol Lunch	7,250	(5,497)	1,753
SCL Events – Manchester Lunch	10,560	(8,959)	1,601
SCL Events – Southern lunch	7,437	(5,635)	1,802
SCL Events – Birmingham	2,250	(2,221)	29
Annual Conference – Leeds	21,577	(9,297)	12,280
Joint Events	541	-	541
SCL Junior Events	11,243	(15,480)	(4,237)
Other Events	-	(8,682)	(8,682)
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	187,613	(151,492)	36,122
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Year to 31 December 2015

	Income	Expenditure	Gross Profit/ (loss)
SCL Events – AGM	15,935	(14,642)	1,293
SCL Events – Brewery	58,702	(50,345)	8,357
SCL Events – Scottish Lunch	8,000	(5,102)	2,898
SCL Events – Leeds Lunch	15,257	(5,689)	9,568
SCL Events – Dublin Lunch	12,949	(8,373)	4,576
SCL Events – Bristol Lunch	6,437	(3,970)	2,467
SCL Events – Manchester Lunch	9,513	(7,077)	2,436
Annual Conference – Leeds	23,666	(4,430)	19,236
International conference	29,337	(25,268)	4,069
Joint Events	175	-	175
SCL Junior Events	5,087	(7,875)	(2,788)
Other Events	2,842	(8,619)	(5,777)
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	187,900	(141,390)	46,510
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10. **Related party transactions**

Owing to the nature of the Society’s operations and the composition of the Council, transactions may take place with organisations in which a council member has an interest. All transactions involving such organisations are conducted on an arm’s length basis and in accordance with the Societies constitution.