

THE SOCIETY OF CONSTRUCTION LAW

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

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
Paul Battrick
Ronan Champion
Karen Gough
Shy Jackson
Keith Kirkwood
Amy Lacey
Hamish Lal
Anthony Lavers
Peter Phillippo
Rebecca Shorter
John Tackaberry
Jessica Tresham
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 2017.

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 19 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 increased compared to that of the prior year to £218,169 (2016: £187,613). The income from subscriptions has seen an increase of £17,057 due to growth in membership numbers 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 £57,675 (2016: £67,046).

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 and past Chairmen, McKenzies our accountants, RSM our Auditors, our other consultants and to our regional representatives who provide so much support.

The Society remains in a sound and improving financial position in what are difficult financial times and has net assets of £570,584 (2016: £512,909).

DONATIONS

Donations of £4,000 were made to Macmillan Cancer Support and £150 to St Martin in the Fields Christmas Appeal (2016: £4,000 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).

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
April 2018

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

Opinion

We have audited the financial statements of The Society of Construction Law (the 'society') for the year ended 31 December 2017 which comprise the Income Statement, the Statement of Financial Position 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 United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion, the financial statements:

- give a true and fair view of the state of the society's affairs as at 31 December 2017 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Accounting Standards.

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 non-statutory report. We are independent of the society 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.

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 councils' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the council have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the society'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.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our non-statutory auditor's report thereon. The Council members are responsible for the other information. Our non-statutory opinion on the financial statements does not cover the other information and, 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.

Responsibilities of the council

As explained more fully in the statement of the councils' responsibilities set out on page 2, the council 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 council determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

NON-STATUTORY INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SOCIETY OF CONSTRUCTION LAW (continued)

In preparing the financial statements, the council are responsible for assessing the society'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 council either intend to liquidate the society 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 a non-statutory 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

This non-statutory report is made solely to the society's members, for their confidential use, in accordance with our engagement letter dated November 2016. Our non-statutory audit work has been undertaken so that we might state to the society's members those matters we are engaged 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 society's members as a body, 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

Date:

THE SOCIETY OF CONSTRUCTION LAW

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	2016 £
Income			
Subscriptions		278,504	261,447
Sale of papers		2,242	4,742
Meetings	9	218,169	187,613
Lecture programme		816	-
ESCL book contributions		3,035	2,967
Interest	2	582	1,310
Advocacy training		2,021	-
Sundry income		777	1,249
		<u>506,146</u>	<u>459,328</u>
Expenditure			
Newsletter, membership directory and publication of papers		48,318	44,781
Grants and awards		17,355	15,879
Hudson and King's prizes		5,132	3,616
Lecture programme		19,607	15,980
Advocacy training		5,518	1,888
SCL Consultant expenses	3	107,100	107,203
ESCL book expenditure		10,213	-
Bank charges		642	72
IT and Website		12,606	11,973
Audit		10,200	9,050
Subscriptions		600	590
Accountancy		9,912	9,954
Donations		4,150	10,500
Foreign exchange differences		(94)	(1,582)
Irrecoverable VAT		9,841	10,553
Meetings	9	187,226	151,492
Sundry		33	71
		<u>448,359</u>	<u>392,020</u>
Excess of income over expenditure before taxation		57,787	67,308
Taxation	4	112	262
Excess of income over expenditure after taxation		<u>£57,675</u>	<u>£67,046</u>

THE SOCIETY OF CONSTRUCTION LAW

STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2017

	Notes	2017		2016	
		£	£	£	£
Current assets					
Debtors	5	98,185		69,933	
Cash and cash equivalents	6	737,028		666,909	
		835,213		736,842	
Current liabilities					
Creditors: Amounts due in less than one year	7	(264,629)		(223,933)	
		(264,629)		(223,933)	
Net current assets		£570,584		£512,909	
Net assets		£570,584		£512,909	
Accumulated funds					
Income and expenditure account					
Surplus brought forward			512,909		445,863
Surplus for the year			57,675		67,046
Income and expenditure account			£570,584		£512,909

The financial statements on pages 5 to 10 were approved and authorised for issue by the Council on 16 April 2018 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 2017

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.

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.

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 account.

THE SOCIETY OF CONSTRUCTION LAW
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

Cash and Cash Equivalents

Cash and cash equivalents includes cash and short term investments.

Creditors

Trade creditors and accruals 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:

	2017	2016
	£	£
Interest on National Westminster Bank Accounts	94	693
Interest on National Savings Investment Account	488	617
	582	1,310
	582	1,310

3. SCL Consultant Expenses

	2017	2016
	£	£
During the year consultant expenses were paid in respect of:		
P Britton	1,760	3,960
S Hogg	6,872	5,798
F Patterson	5,520	9,680
E Peters	17,065	13,799
J Bertram Hillig	-	1,272
J Ward	42,337	42,659
F Whitehead	30,146	28,475
J Howard	3,400	1,560
	107,100	107,203
	107,100	107,203

THE SOCIETY OF CONSTRUCTION LAW
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

4. Taxation	2017	2016
	£	£
The taxation charge for the year comprises:		
Current year tax due on National Westminster Bank and National Savings Investment Accounts interest at 19.25% (2016: 20.00%)	112	262
	<u>=====</u>	<u>=====</u>
5. Debtors	2017	2016
	£	£
Trade debtors	11,571	7,835
Other debtors	19,079	10,026
Prepayments and accrued income	67,535	52,072
	<u>-----</u>	<u>-----</u>
	98,185	69,933
	<u>=====</u>	<u>=====</u>
6. Cash and cash equivalents	2017	2016
	£	£
Cash at Bank	633,654	564,152
National Savings Investment account	103,374	102,757
	<u>-----</u>	<u>-----</u>
	737,028	666,909
	<u>=====</u>	<u>=====</u>
7. Creditors: Amounts falling due in less than one year	2017	2016
	£	£
Trade creditors	5,415	8,379
Deferred income	219,553	176,759
Accruals	34,542	17,202
Corporation tax	112	220
Other taxation	4,446	9,313
Other Creditors	561	12,060
	<u>-----</u>	<u>-----</u>
	264,629	223,933
	<u>=====</u>	<u>=====</u>

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 2017

8. 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.

No council member was remunerated during 2017 (2016: Nil).

9. Meeting and Event Income and Expenditure

Year to 31 December 2017

	Income	Expenditure	Gross Profit/ (loss)
SCL Events – AGM	22,824	(21,754)	1,070
SCL Events – London Lunch	99,573	(87,740)	11,833
SCL Events – Scottish Lunch	8,375	(6,547)	1,828
SCL Events – Leeds Lunch	12,714	(6,263)	6,451
SCL Events – Dublin Lunch	15,994	(13,402)	2,592
SCL Events – Bristol Lunch	5,000	(5,159)	(159)
SCL Events – Manchester Lunch	12,875	(11,789)	1,086
Annual Conference – Leeds	27,596	(9,206)	18,390
SCL Junior Events	10,819	(11,858)	(1,039)
Other Events	2,399	(13,508)	(11,109)
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	218,169	(187,226)	30,943
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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
SCL Junior Events	11,243	(15,480)	(4,237)
Other Events	541	(8,682)	(8,682)
	<hr/>	<hr/>	<hr/>
	187,613	(151,492)	36,121
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