

**THE SOCIETY OF CONSTRUCTION LAW**

**ANNUAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

**THE SOCIETY OF CONSTRUCTION LAW**  
**OFFICERS AND PROFESSIONAL ADVISERS**

**COUNCIL MEMBERS**

Hamish Lal (Chairman)  
Karen Gough (Vice Chair)  
Andrew Singer KC (Secretary)  
Paul Battrick (Treasurer)  
Rebecca Shorter  
Lauren Adams  
Keith Kirkwood  
Amy Lacey  
Anthony Lavers  
Christopher Sunderland  
John Tackaberry  
Jessica Tresham  
Sarah Williams  
Sean Gibbs  
Jonathan Pawlowski  
Andrea Stauber  
Matthew Taylor  
David Falkenstern

**ACCOUNTANTS**

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

**AUDITORS**

RSM UK AUDIT LLP  
Chartered Accountants  
Portland  
25 High Street  
Crawley  
West Sussex  
RH10 1BG

## 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 2022.

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 18 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 1 May 2019.

#### TREASURER'S REVIEW

In the last year the meetings income of the Society has increased compared to that of the prior year to £275,728 (2021: £10,846). The income from subscriptions has seen an increase of £7,256 (2021: decrease £6,896). Costs have been kept under control, with the result that the accounts continue to show a surplus of income over expenditure after taxation of £58,074 (2021: £51,745).

The Society remains in a sound financial position following the events in the last two years and has net assets of £966,179 (2021: £908,105). These accounts reflect the position to the end of 2022. During 2022 the effects of Covid-19 substantially decreased such that many in person events, both educational and social, once again took place. Some events were hybrid in nature and pure on-line events continued; only a few events were affected due to Covid-19 restrictions.

The major social events such as lunches in London, Dublin, and Manchester were all positive contributors to the Society's funds, as was the annual conference in Leeds.

The Society is in a strong financial position, and we are confident that this situation will continue during, hopefully, post Covid-19 times and throughout 2023, which sees the Society's 40th anniversary celebrations.

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

#### DONATIONS

A donation of £2,000 was made to Macmillan Cancer Support and £250 to Michael Rowe Funeral Directors (2021: £3,000 British and Irish Legal Information Institute).

#### 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

Hamish Lal  
Chairman



20<sup>th</sup> April 2023

## **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 2022 which comprise the Income Statement, the Statement of Financial Position and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and 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 2022 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**

In auditing the financial statements, we have concluded that the council's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the society's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the council with respect to going concern are described in the relevant sections of this report.

### **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 is responsible for the other information contained within the annual report. 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.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the council**

As explained more fully in the council's responsibilities, set out on page 2, the council is 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 determines 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 council is 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 intends to liquidate the society or to cease operations, or has 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.



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

### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the society operates in and how the society is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures, we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures and evaluating advice from external tax advisers.

There were no significant laws and regulations that have an indirect impact on the financial statements.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to any significant, unusual transactions and transactions entered into outside the normal course of business.

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.

### **Use of our report**

This non-statutory report is made solely to the society's members, for their confidential use, in accordance with our engagement letter dated 24 February 2022. 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

RSM UK Audit LLP  
Chartered Accountants  
Portland  
25 High Street  
Crawley, West Sussex  
RH10 1BG

Date: 28 April 2023

**THE SOCIETY OF CONSTRUCTION LAW**  
**INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 £	2021 £
<b>Income</b>			
Subscriptions		290,366	283,110
Sale of papers		1,238	1,405
Meetings	10	275,728	10,846
ESCL book contributions		80	85
Interest	2	1,888	95
Sundry income		4,901	3,147
		<u>574,201</u>	<u>298,688</u>
<b>Expenditure</b>			
Newsletter, membership directory and publication of papers		27,002	25,670
Grants and awards		5,640	13,654
Hudson and King's prizes		5,500	4,086
Lecture programme		12,437	8,877
Advocacy training		735	-
Delay protocol		497	-
Overseas societies		-	1,000
SCL Consultant expenses	3	135,858	112,147
Bank charges		55	80
IT and Website		18,851	11,753
Audit		14,500	11,750
Subscriptions		680	650
Amortisation		11,059	11,059
Accountancy		9,706	8,574
Regions		1,340	-
Donations		2,250	3,000
Foreign exchange differences		(1,910)	3,106
Irrecoverable VAT		12,269	15,451
Meetings	10	259,299	16,068
		<u>515,768</u>	<u>246,925</u>
<b>Excess of income over expenditure before taxation</b>		58,433	51,763
Taxation	4	359	18
<b>Excess of income over expenditure after taxation</b>		<u>£58,074</u>	<u>£51,745</u>

**THE SOCIETY OF CONSTRUCTION LAW**  
**STATEMENT OF FINANCIAL POSITION**  
**AT 31 DECEMBER 2022**

	Notes	2022		2021	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	5		18,431		29,490
<b>Current assets</b>					
Debtors	6	54,468		52,226	
Cash and cash equivalents	7	1,271,404		1,098,591	
		—————	1,325,872	—————	1,150,817
<b>Current liabilities</b>					
Creditors: Amounts due in less than one year	8	(378,124)		(272,202)	
		—————	(378,124)	—————	(272,202)
<b>Net current assets</b>			<u>£947,748</u>		<u>£878,615</u>
			=====		=====
<b>Net assets</b>			<u>£966,179</u>		<u>£908,105</u>
			=====		=====
<b>Accumulated funds</b>					
<b>Income and expenditure account</b>					
Surplus brought forward			908,105		856,360
Surplus for the year			58,074		51,745
<b>Income and expenditure account</b>			<u>£966,179</u>		<u>£908,105</u>
			=====		=====

The financial statements on pages 5 to 11 were approved and authorised for issue by the Council on 20<sup>th</sup> April 2023 and were signed on its behalf by:

**P Battrick**  
**Treasurer**



**H Lal**  
**Chairman**



**THE SOCIETY OF CONSTRUCTION LAW**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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. The disclosure requirements of Section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the Society. Monetary amounts in these financial statements are rounded to the nearest £.

***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. The council have considered forecast results to 31 May 2024 in which the society remains profitable with surplus cash reserves and 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.

***Intangible assets***

Intangible assets are recognised at cost and are subsequently measured at cost less accumulated amortisation. Amortisation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following basis.

Software	Over 4 years
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**THE SOCIETY OF CONSTRUCTION LAW**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**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. Financial instruments are recognised when the Society becomes party to the contractual provisions of the instrument. Financial assets and liabilities are only offset when there is a legally enforceable right to set off the recognised amounts.

**Financial Assets**

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.

**Cash and Cash Equivalents**

Cash and cash equivalents includes cash and short-term investments.

**Financial liabilities**

Trade creditors and accruals are recognised when the Society 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 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:

	2022	2021
	£	£
Interest on National Westminster Bank Accounts	1,603	64
Interest on National Savings Investment Account	285	31
	<u>1,888</u>	<u>95</u>
	=====	=====

3. **SCL Consultant Expenses**

There were no persons employed by the society in 2022 (2021: nil).

During the year consultant expenses (including travel expenses and the like) were paid in respect of:

	2022	2021
	£	£
S Hogg	4,609	4,818
E Peters	15,716	18,665
J Ward	62,282	51,061
F Whitehead	48,211	32,163
J Howard	5,040	5,440
	<u>135,858</u>	<u>112,147</u>
	=====	=====



**THE SOCIETY OF CONSTRUCTION LAW**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

4.	<b>Taxation</b>	<b>2022</b> £	<b>2021</b> £
	The taxation charge for the year comprises:		
	Current year tax due on National Westminster Bank and National Savings Investment Accounts interest at 19.00% (2021: 19.00%)	359	18
		<u>=====</u>	<u>=====</u>
5.	<b>Intangible fixed assets</b>		<b>Software</b> £
	<b>Cost</b>		
	At 1 January 2022		44,235
	Additions		-
			<u>-----</u>
	At 31 December 2022		44,235
			<u>=====</u>
	<b>Amortisation</b>		
	At 1 January 2022		14,745
	Amortisation charged for the year		11,059
			<u>-----</u>
	At 31 December 2022		25,804
			<u>=====</u>
	<b>Carrying amount</b>		
	At 31 December 2022		18,431
			<u>=====</u>
	At 31 December 2021		29,490
			<u>=====</u>
6.	<b>Debtors</b>	<b>2022</b> £	<b>2021</b> £
	Trade debtors	10,741	7,813
	Other debtors	-	-
	Prepayments and accrued income	43,727	44,413
		<u>-----</u>	<u>-----</u>
		54,468	52,226
		<u>=====</u>	<u>=====</u>
7.	<b>Cash and cash equivalents</b>	<b>2022</b> £	<b>2021</b> £
	Cash at Bank	964,507	791,725
	National Savings Investment account	306,897	306,866
		<u>-----</u>	<u>-----</u>
		1,271,404	1,098,591
		<u>=====</u>	<u>=====</u>

**THE SOCIETY OF CONSTRUCTION LAW**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

8. <b>Creditors: Amounts falling due in less than one year</b>	<b>2022</b>	<b>2021</b>
	£	£
Trade creditors	3,357	2,007
Deferred income	317,009	227,186
Accruals	34,237	29,010
Corporation tax	377	414
Other taxation	23,144	13,459
Other Creditors	-	126
	<u>378,124</u>	<u>272,202</u>
	<u>=====</u>	<u>=====</u>

Deferred income relates to income received in respect of future events and subscriptions received in advance.

9. **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 2022 (2021: Nil).

**THE SOCIETY OF CONSTRUCTION LAW**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

10. **Meeting and Event Income and Expenditure**

**Year to 31 December 2022**

	Income	Expenditure	Gross Profit/ (loss)
SCL Events – AGM	14,972	(35,569)	(20,597)
SCL Events – London Lunch	131,614	(117,735)	13,879
SCL Events – Scottish Lunch	12,652	(14,387)	(1,735)
SCL Events – Leeds Lunch	1,065	(6,169)	(5,104)
SCL Events – Dublin Lunch	51,260	(39,144)	12,116
SCL Events – Bristol Lunch	8,640	(9,204)	(564)
SCL Events – Manchester Lunch	16,100	(12,045)	4,055
International conference	-	(1,275)	(1,275)
Annual Conference – Leeds	23,442	(2,763)	20,679
SCL Junior Events	15,983	(13,102)	2,881
SCL Events – Southern Lunch	-	-	-
Other Events	-	(7,906)	(7,906)
	<u>275,728</u>	<u>(259,299)</u>	<u>16,429</u>

**Year to 31 December 2021**

	Income	Expenditure	Gross Profit/ (loss)
SCL Events – AGM	-	-	-
SCL Events – London Lunch	-	-	-
SCL Events – Scottish Lunch	-	-	-
SCL Events – Leeds Lunch	-	-	-
SCL Events – Dublin Lunch	10,846	(12,477)	(1,631)
SCL Events – Bristol Lunch	-	-	-
SCL Events – Manchester Lunch	-	-	-
International conference	-	-	-
Annual Conference – Leeds	-	-	-
SCL Junior Events	-	-	-
SCL Events – Southern Lunch	-	-	-
Other Events	-	(3,591)	(3,591)
	<u>10,846</u>	<u>(16,068)</u>	<u>(5,222)</u>

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**FOR THE YEAR ENDED 31 DECEMBER 2022**

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The Council have pleasure in submitting the report and accounts of the Society of Construction Law for the year ended 31 December 2022.

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The Society is in a strong financial position, and we are confident that this situation will continue during, hopefully, post Covid-19 times and throughout 2023, which sees the Society's 40th anniversary celebrations.

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

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- it has followed United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law),
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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

Hamish Lal  
Chairman



20<sup>th</sup> April 2023

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

### **Opinion**

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In our opinion, the financial statements:

- give a true and fair view of the state of the society's affairs as at 31 December 2022 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.

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Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the society's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the council with respect to going concern are described in the relevant sections of this report.

### **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 is responsible for the other information contained within the annual report. 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.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the council**

As explained more fully in the council's responsibilities, set out on page 2, the council is 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 determines 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 council is 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 intends to liquidate the society or to cease operations, or has 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.

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

### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the society operates in and how the society is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures, we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures and evaluating advice from external tax advisers.

There were no significant laws and regulations that have an indirect impact on the financial statements.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to any significant, unusual transactions and transactions entered into outside the normal course of business.

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.

### **Use of our report**

This non-statutory report is made solely to the society's members, for their confidential use, in accordance with our engagement letter dated 24 February 2022. 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  
Portland  
25 High Street  
Crawley, West Sussex  
RH10 1BG

Date:

**THE SOCIETY OF CONSTRUCTION LAW**  
**INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 £	2021 £
<b>Income</b>			
Subscriptions		290,366	283,110
Sale of papers		1,238	1,405
Meetings	10	275,728	10,846
ESCL book contributions		80	85
Interest	2	1,888	95
Sundry income		4,901	3,147
		<u>574,201</u>	<u>298,688</u>
<b>Expenditure</b>			
Newsletter, membership directory and publication of papers		27,002	25,670
Grants and awards		5,640	13,654
Hudson and King's prizes		5,500	4,086
Lecture programme		12,437	8,877
Advocacy training		735	-
Delay protocol		497	-
Overseas societies		-	1,000
SCL Consultant expenses	3	135,858	112,147
Bank charges		55	80
IT and Website		18,851	11,753
Audit		14,500	11,750
Subscriptions		680	650
Amortisation		11,059	11,059
Accountancy		9,706	8,574
Regions		1,340	-
Donations		2,250	3,000
Foreign exchange differences		(1,910)	3,106
Irrecoverable VAT		12,269	15,451
Meetings	10	259,299	16,068
		<u>515,768</u>	<u>246,925</u>
<b>Excess of income over expenditure before taxation</b>		58,433	51,763
Taxation	4	359	18
<b>Excess of income over expenditure after taxation</b>		<u>£58,074</u>	<u>£51,745</u>



**THE SOCIETY OF CONSTRUCTION LAW**  
**STATEMENT OF FINANCIAL POSITION**  
**AT 31 DECEMBER 2022**

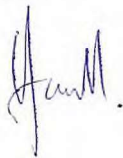
	Notes	2022		2021	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	5		18,431		29,490
<b>Current assets</b>					
Debtors	6	54,468		52,226	
Cash and cash equivalents	7	1,271,404		1,098,591	
		—————	1,325,872	—————	1,150,817
<b>Current liabilities</b>					
Creditors: Amounts due in less than one year	8	(378,124)		(272,202)	
		—————	(378,124)	—————	(272,202)
<b>Net current assets</b>			£947,748		£878,615
			=====		=====
<b>Net assets</b>			£966,179		£908,105
			=====		=====
<b>Accumulated funds</b>					
<b>Income and expenditure account</b>					
Surplus brought forward			908,105		856,360
Surplus for the year			58,074		51,745
<b>Income and expenditure account</b>			£966,179		£908,105
			=====		=====

The financial statements on pages 5 to 11 were approved and authorised for issue by the Council on 20<sup>th</sup> April 2023 and were signed on its behalf by:

**P Battrick**  
Treasurer



**H Lal**  
Chairman





**THE SOCIETY OF CONSTRUCTION LAW**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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. The disclosure requirements of Section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the Society. Monetary amounts in these financial statements are rounded to the nearest £.

***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. The council have considered forecast results to 31 May 2024 in which the society remains profitable with surplus cash reserves and 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.

***Intangible assets***

Intangible assets are recognised at cost and are subsequently measured at cost less accumulated amortisation. Amortisation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following basis.

Software	Over 4 years
----------	--------------

**THE SOCIETY OF CONSTRUCTION LAW**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**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. Financial instruments are recognised when the Society becomes party to the contractual provisions of the instrument. Financial assets and liabilities are only offset when there is a legally enforceable right to set off the recognised amounts.

**Financial Assets**

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.

**Cash and Cash Equivalents**

Cash and cash equivalents includes cash and short-term investments.

**Financial liabilities**

Trade creditors and accruals are recognised when the Society 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 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:

	2022	2021
	£	£
Interest on National Westminster Bank Accounts	1,603	64
Interest on National Savings Investment Account	285	31
	<u>1,888</u>	<u>95</u>
	<u>=====</u>	<u>=====</u>

3. **SCL Consultant Expenses**

There were no persons employed by the society in 2022 (2021: nil).

During the year consultant expenses (including travel expenses and the like) were paid in respect of:

	2022	2021
	£	£
S Hogg	4,609	4,818
E Peters	15,716	18,665
J Ward	62,282	51,061
F Whitehead	48,211	32,163
J Howard	5,040	5,440
	<u>135,858</u>	<u>112,147</u>
	<u>=====</u>	<u>=====</u>

**THE SOCIETY OF CONSTRUCTION LAW**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

4.	<b>Taxation</b>	<b>2022</b> £	<b>2021</b> £
	The taxation charge for the year comprises:		
	Current year tax due on National Westminster Bank and National Savings Investment Accounts interest at 19.00% (2021: 19.00%)	359	18
		<u>=====</u>	<u>=====</u>
5.	<b>Intangible fixed assets</b>		<b>Software</b> £
	<b>Cost</b>		
	At 1 January 2022		44,235
	Additions		-
			<u>-----</u>
	At 31 December 2022		44,235
			<u>=====</u>
	<b>Amortisation</b>		
	At 1 January 2022		14,745
	Amortisation charged for the year		11,059
			<u>-----</u>
	At 31 December 2022		25,804
			<u>=====</u>
	<b>Carrying amount</b>		
	At 31 December 2022		18,431
			<u>=====</u>
	At 31 December 2021		29,490
			<u>=====</u>
6.	<b>Debtors</b>	<b>2022</b> £	<b>2021</b> £
	Trade debtors	10,741	7,813
	Other debtors	-	-
	Prepayments and accrued income	43,727	44,413
		<u>-----</u>	<u>-----</u>
		54,468	52,226
		<u>=====</u>	<u>=====</u>
7.	<b>Cash and cash equivalents</b>	<b>2022</b> £	<b>2021</b> £
	Cash at Bank	964,507	791,725
	National Savings Investment account	306,897	306,866
		<u>-----</u>	<u>-----</u>
		1,271,404	1,098,591
		<u>=====</u>	<u>=====</u>

**THE SOCIETY OF CONSTRUCTION LAW**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

8.	<b>Creditors: Amounts falling due in less than one year</b>	<b>2022</b>	<b>2021</b>
		£	£
	Trade creditors	3,357	2,007
	Deferred income	317,009	227,186
	Accruals	34,237	29,010
	Corporation tax	377	414
	Other taxation	23,144	13,459
	Other Creditors	-	126
		<u>378,124</u>	<u>272,202</u>

Deferred income relates to income received in respect of future events and subscriptions received in advance.

9. **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 2022 (2021: Nil).

**THE SOCIETY OF CONSTRUCTION LAW**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

10. Meeting and Event Income and Expenditure

**Year to 31 December 2022**

	Income	Expenditure	Gross Profit/ (loss)
SCI Events – AGM	14,972	(35,569)	(20,597)
SCL Events – London Lunch	131,614	(117,735)	13,879
SCL Events – Scottish Lunch	12,652	(14,387)	(1,735)
SCL Events – Leeds Lunch	1,065	(6,169)	(5,104)
SCL Events – Dublin Lunch	51,260	(39,144)	12,116
SCL Events – Bristol Lunch	8,640	(9,204)	(564)
SCL Events – Manchester Lunch	16,100	(12,045)	4,055
International conference	-	(1,275)	(1,275)
Annual Conference – Leeds	23,442	(2,763)	20,679
SCL Junior Events	15,983	(13,102)	2,881
SCL Events – Southern Lunch	-	-	-
Other Events	-	(7,906)	(7,906)
	<u>275,728</u>	<u>(259,299)</u>	<u>16,429</u>

**Year to 31 December 2021**

	Income	Expenditure	Gross Profit/ (loss)
SCL Events – AGM	-	-	-
SCL Events – London Lunch	-	-	-
SCL Events – Scottish Lunch	-	-	-
SCL Events – Leeds Lunch	-	-	-
SCL Events – Dublin Lunch	10,846	(12,477)	(1,631)
SCL Events – Bristol Lunch	-	-	-
SCL Events – Manchester Lunch	-	-	-
International conference	-	-	-
Annual Conference – Leeds	-	-	-
SCL Junior Events	-	-	-
SCL Events – Southern Lunch	-	-	-
Other Events	-	(3,591)	(3,591)
	<u>10,846</u>	<u>(16,068)</u>	<u>(5,222)</u>