

THE SOCIETY OF CONSTRUCTION LAW

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

THE SOCIETY OF CONSTRUCTION LAW
OFFICERS AND PROFESSIONAL ADVISERS

COUNCIL MEMBERS

Hamish Lal (Chairman)
Karen Gough (Vice Chair)
Jessica Tresham (Secretary)
Paul Battrick (Treasurer)
Rebecca Shorter
Lauren Adams
Anthony Lavers
Christopher Sunderland
John Tackaberry
Sarah Williams
Sean Gibbs
Jonathan Pawlowski
Andrea Stauber
Matthew Taylor
David Falkenstern
Louise Forster
Michael Levenstein
Jessica Neuberger
Shy Jackson

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 has pleasure in submitting the report and accounts of the Society of Construction Law for the year ended 31 December 2023.

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 run the society; there are 4 officers who are also members of the council. The Society is governed by its written constitution which was last amended and adopted on 4 May 2023.

TREASURER'S REVIEW

In the last year the meetings income of the Society has increased compared to that of the prior year to £471,454 (2022: £275,728). The income from subscriptions has seen an increase of £2,414 (2022: increase £7,256). Costs have been kept under control, with the result that the accounts continue to show a surplus of income over expenditure after taxation of £67,261 (2022: £58,074).

The Society remains in a sound financial position and has net assets of £1,033,440 (2022: £966,179). These accounts reflect the position to the end of 2023.

During 2023 the effects of Covid-19 was negligible, if not absent, such the many in person events, both educational and social, were unaffected and returned to pre-Covid numbers of attendees. There was also an increase in the number of events where a fee was charged as events took place relative to the SCL's 40th anniversary and the TCC's 150th anniversary. The income relative to the AGM and annual dinner was also considerably higher than in past years; all resulting in the considerable increase in income for the year.

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

The Society is in a strong financial position, and we are confident that this situation will continue throughout 2024, which sees not only the traditional events that we all recognise, but also new lunches that are to be held in Birmingham and Cambridge.

We owe much of our ongoing success to the tireless energy of our Council sub-committees, especially the Social Committee and the Regional Management team who, together with our regional representatives have enhanced the offerings to our members. Our continued success could not have happened without the support provided by Jill Ward, Frances Whitehead, Joanna Howard our editor for papers, 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, and RSM our Auditors.

DONATIONS

A donation of £2,000 was made to the Yorkshire Air Ambulance, £2,000 to Move Mountains for Malcolm and £8,908 to the Peter McVerry Trust (2022: £2,000 to Macmillan Cancer Support and £250 to Michael Rowe Funeral Directors).

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

2024

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 2023 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 2023 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
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 2023

	Notes	2023 £	2022 £
Income			
Subscriptions		292,780	290,366
Sale of papers		1,146	1,238
Meetings	10	471,354	275,728
ESCL book contributions		245	80
Interest	2	10,399	1,888
Sundry income		4,950	4,901
		<u>780,874</u>	<u>574,201</u>
Expenditure			
Newsletter, membership directory and publication of papers		19,624	27,002
Grants and awards		4,817	5,640
Hudson and King's prizes		3,000	5,500
ESCL book contributions		11,272	-
Lecture programme		21,214	12,437
Advocacy training		-	735
Delay protocol		-	497
Overseas societies		146	-
SCL Consultant expenses	3	132,659	135,858
Bank charges		11	55
Reimbursed expenses		3,742	-
IT and Website		20,363	18,851
Audit		16,500	14,500
Subscriptions		700	680
Amortisation		11,059	11,059
Accountancy		12,802	9,706
Regions		410	1,340
Donations		12,908	2,250
Foreign exchange differences		(1,142)	(1,910)
Irrecoverable VAT		-	12,269
Meetings	10	438,870	259,299
		<u>708,955</u>	<u>515,768</u>
Excess of income over expenditure before taxation		71,919	58,433
Taxation	4	1,958	359
Excess of income over expenditure after taxation		<u>£69,961</u>	<u>£58,074</u>

THE SOCIETY OF CONSTRUCTION LAW

STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Intangible assets	5		10,072		18,431
Current assets					
Debtors	6	376,162		54,468	
Cash and cash equivalents	7	974,477		1,271,404	
		<u> </u>	1,350,639	<u> </u>	1,325,872
Current liabilities					
Creditors: Amounts due in less than one year	8	(324,571)		(378,124)	
		<u> </u>	(324,571)	<u> </u>	(378,124)
Net current assets			<u> </u> <u> </u> 1,026,068		<u> </u> <u> </u> 947,748
Net assets			<u> </u> <u> </u> 1,036,140		<u> </u> <u> </u> 966,179
Accumulated funds					
Income and expenditure account					
Surplus brought forward			966,179		908,105
Surplus for the year			69,961		58,074
Income and expenditure account			<u> </u> <u> </u> 1,036,140		<u> </u> <u> </u> 966,179

The financial statements on pages 5 to 11 were approved and authorised for issue by the Council on 24 April 2024 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 2023

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 2025 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 recognized at cost and are subsequently measured at cost less accumulated amortisation. Amortisation is recognized 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 2023

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:

	2023	2022
	£	£
Interest on National Westminster Bank Accounts	8,022	1,603
Interest on National Savings Investment Account	2,377	285
	-----	-----
	10,399	1,888
	=====	=====

3. **SCL Consultant Expenses**

There were no persons employed by the society in 2023 (2022: nil).

	2023	2022
	£	£
During the year consultant fees were paid in respect of:		
S Hogg	5,599	4,609
E Peters	26,453	15,716
J Ward	48,630	62,282
F Whitehead	45,443	48,211
J Howard	6,534	5,040
	-----	-----
	132,659	135,858
	=====	=====

THE SOCIETY OF CONSTRUCTION LAW
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

4. Taxation	2023 £	2022 £
The taxation charge for the year comprises:		
Prior year tax charge adjustment	(18)	-
Current year tax due on National Westminster Bank and National Savings Investment Accounts interest at 19.00% (2022: 19.00%)	1,976	359
	<u>1,958</u>	<u>359</u>
	<u><u>1,958</u></u>	<u><u>359</u></u>
5. Intangible fixed assets		Software £
Cost		
At 1 January 2023		44,235
Additions		2,700
		<u>46,935</u>
At 31 December 2023		<u><u>46,935</u></u>
Amortisation		
At 1 January 2023		25,804
Amortisation charged for the year		11,059
		<u>36,863</u>
At 31 December 2023		<u><u>36,863</u></u>
Carrying amount		
At 31 December 2023		10,072
At 31 December 2022		18,431
		<u><u>18,431</u></u>
6. Debtors	2023 £	2022 £
Trade debtors	284,806	10,741
Prepayments and accrued income	91,356	43,727
	<u>376,162</u>	<u>54,468</u>
	<u><u>376,162</u></u>	<u><u>54,468</u></u>
7. Cash and cash equivalents	2023 £	2022 £
Cash at Bank	667,294	964,507
National Savings Investment account	307,183	306,897
	<u>974,477</u>	<u>1,271,404</u>
	<u><u>974,477</u></u>	<u><u>1,271,404</u></u>

THE SOCIETY OF CONSTRUCTION LAW
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

8.	Creditors: Amounts falling due in less than one year	2023	2022
		£	£
	Trade creditors	2,460	3,357
	Deferred income	270,329	317,009
	Accruals	37,904	34,237
	Corporation tax	1,976	377
	Other taxation	11,714	23,144
	Other Creditors	188	-
		<u>324,571</u>	<u>378,124</u>

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 2023 (2022: Nil).

THE SOCIETY OF CONSTRUCTION LAW
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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

Year to 31 December 2023

	Income	Expenditure	Gross Profit/ (loss)
SCL Events – AGM & Annual Dinner	71,231	(113,249)	(42,018)
SCL Events – London Lunch	153,769	(122,635)	31,134
SCL Events – Scottish Lunch	770	-	770
SCL Events – Leeds Lunch	17,228	(8,890)	8,338
SCL Events – Dublin Lunch	53,070	(32,879)	20,191
SCL Events – Bristol Lunch	13,633	(8,810)	4,823
SCL Events – Manchester Lunch	21,100	(20,764)	336
Dublin Conference	9,508	(7,203)	2,305
Annual Conference – Leeds	23,608	(6,424)	17,184
SCL Junior Events	9,948	(9,641)	307
40 th Birthday Celebrations	23,863	(23,498)	365
TCC 150 Seminar	73,726	(64,626)	9,100
Other Events	-	(20,251)	(20,251)
	<u>471,454</u>	<u>(438,870)</u>	<u>32,584</u>

Year to 31 December 2022

	Income	Expenditure	Gross Profit/ (loss)
SCL Events – AGM & Annual Dinner	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>