

THE SOCIETY OF CONSTRUCTION LAW

Annual Report
for the year ended 31 December 2003

THE SOCIETY OF CONSTRUCTION LAW

The Council have pleasure in submitting their report and accounts of the Society of Construction Law for the year ended 31 December 2003.

TREASURER'S REVIEW

Income in 2003 increased by 10% on 2002, which is due to the continuing growth of the Society while costs have been kept under control and are within budget for 2003.

The main movements in expenditure were in respect of:

- Publications costs reduced in part to papers being downloaded direct from the SCL website.
- A lower level of grants were awarded during the year.
- The SCL Consultant was not retained for 2003.
- Other meetings costs were high in 2002 due to one off costs associated with the ESCL meeting.

In addition, the coding system that was initially set up by my predecessor has proved invaluable in allocation and monitoring of funds so that we have a more accurate picture of the accounts and can budget forecast more appropriately. We are also working to improve other management accounting practices to take the Society forward for the 21st Century so it can continue to grow its core activities and develop in areas such as policy and the Ethics group.

A budget has been approved for 2004 with the aim of expenditure matching income for the year. Currently, the Society remains in a sound financial position.

THE COUNCIL'S RESPONSIBILITY

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 and the surplus or deficiency for that period and in the preparation of these financial statements,

- applicable accounting standards have been followed,
- appropriate accounting policies have been used and applied consistently,
- and reasonable and prudent 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

**R Bayfield
Chairman**

12 May 2004

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE SOCIETY OF CONSTRUCTION LAW**

We have audited the financial statements which comprise the Income and Expenditure, the Balance Sheet and related note on pages 3 to 5.

This report is made solely to the members, as a body. Our audit work has been undertaken so that we might state to the society's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the society and the society's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Council and auditors

As described on page 1, the Society's Council is responsible for the preparation of the financial statements in accordance with the Society's constitution and United Kingdom accounting standards. Our responsibility, as independent auditors, is to audit the financial statements in accordance with the relevant legal and regulatory requirements and United Kingdom Auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and have been prepared in accordance with the Society's constitution. We also report to you, if in our opinion, the Treasurer's Report is not consistent with the financial statements, if the society has not kept proper accounting records, or if we have not received all the explanations we require for our audit.

We read other information contained in the Treasurer's Report, and consider whether it is consistent with the financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also included an assessment of the significant estimates and judgements made by the Council in the preparation of the financial statements and of whether the accounting policies are appropriate to the Society's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Society's affairs at 31 December 2003 and of its surplus of income over expenditure for the year then ended.

Baker Tilly
Chartered Accountants
Registered Auditors
2 Bloomsbury Street
London
WC1B 3ST

12 May 2004

THE SOCIETY OF CONSTRUCTION LAW

INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2003

	Notes	2003 £	2002 £
Income			
Subscriptions	2	140,395	123,740
Sale of papers		1,159	2,001
Interest	3	2,486	4,106
Sundry income		1,897	3,906
		<u>145,937</u>	<u>133,753</u>
Expenditure			
Secretarial services and newsletter		43,581	41,402
Publication of papers		23,635	38,621
Launch & publication of SCL Protocol		614	13,099
Grants and awards		1,027	14,039
Hudson and King's prizes		3,250	7,952
Lecture programme		9,057	5,286
Other meetings		1,780	8,422
Advocacy training		655	762
SCL expenses in the UK		2,995	4,585
SCL expenses overseas		464	2,576
SCL Consultant expenses		-	11,665
Sundry expenditure		1,097	1,684
Bank charges		21	167
IT and Web site		19,667	21,409
Audit		1,818	2,030
Accountancy		375	375
Professional fees		550	305
		<u>110,586</u>	<u>174,379</u>
Excess/ (deficit) of income over expenditure before taxation		35,351	(40,626)
Taxation	4	310	(411)
Excess/(deficit) of income over expenditure after taxation		<u>35,661</u>	<u>(41,037)</u>

There are no other recognised gains or losses other than the surplus for the year disclosed above.

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BALANCE SHEET

AT 31 DECEMBER 2003

	Notes	2003		2002	
		£	£	£	£
Current assets					
Prepayments		600		-	
Cash at bank		74,143		32,123	
National savings investment account		81,091		78,605	
		<hr/>	155,834	<hr/>	110,728
Less					
Creditors: Amounts due in less than one year	5	(31,115)		(21,670)	
		<hr/>	(31,115)	<hr/>	(21,670)
Net current assets			<hr/>	<hr/>	
			124,719		89,058
			<hr/> <hr/>		<hr/> <hr/>
Accumulated funds					
Surplus brought forward			89,058		130,095
Income and expenditure account					
Excess/(deficit) for the year			35,661		(41,037)
			<hr/>		<hr/>
Balance carried forward			<hr/> <hr/>		<hr/> <hr/>
			124,719		89,058

The financial statements on pages 3 to 5 were approved by the Council on 12 May 2004 and were signed on its behalf by:

.....
C King
Treasurer

.....
J Forsyth
Secretary

THE SOCIETY OF CONSTRUCTION LAW
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003

1. **Accounting policies**

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting policies.

2. **Fees**

Membership fees are included in income on a receivable basis but excluding amounts considered doubtful of collection.

3. **Interest**

The interest earned in the year comprises:

	2003	2002
	£	£
Interest on National Savings Investment Account	2,486	4,106
	<u>=====</u>	<u>=====</u>

4. **Taxation**

The taxation charge for the year comprises:

	£	£
Current year tax due on National Savings Investment Account interest at 0.00% (2002: 10.00%)	-	411
Overprovision in 2002	(310)	-
	<u>=====</u>	<u>=====</u>

5. **Creditors: Amounts falling due in less than one year**

	£	£
Trade creditors	9,345	21,259
Deferred subscriptions	21,770	-
Taxation	-	411
	<u>=====</u>	<u>=====</u>
	<u>31,115</u>	<u>21,670</u>