

**THE SOCIETY OF CONSTRUCTION LAW**

**ANNUAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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

**COUNCIL MEMBERS**

Lord Justice Jackson (President)  
Jonathan Cope (Chair)  
Jonathan Pawlowski (Vice Chairman)  
Richard Bailey (Treasurer)  
Rebecca Shorter (Secretary)  
Christopher Ennis  
Lauren Adams  
Paul Battrick  
Ronan Champion  
Karen Gough  
Shy Jackson  
Keith Kirkwood  
Amy Lacey  
Hamish Lal  
Anthony Lavers  
Claire Packman  
Peter Phillippo  
Christopher Sunderland  
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 2018.

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 21 members runs the society; there are 5 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 £260,903 (2017: £218,169). The income from subscriptions has seen an increase of £6,130 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 £65,144 (2017: £57,675).

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 £635,728 (2017: £570,584).

**DONATIONS**

Donations of £2,000 were made to Macmillan Cancer Support, £2,000 to Marie Curie and £13 to the CIC Grenfell Project (2017: £4,000 to Macmillan Cancer Support, £150 to St Martin in the Fields Christmas Appeal).

**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**

**Jonathon Cope**  
**Chair**

**April 2019**

## **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 2018 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 2018 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 has 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 is 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 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.

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

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 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.

### **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 7 March 2019. 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 2018**

	Notes	2018 £	2017 £
<b>Income</b>			
Subscriptions		284,634	278,504
Sale of papers		2,263	2,242
Meetings	9	260,903	218,169
Lecture programme		-	816
ESCL book contributions		1,405	3,035
Interest	2	1,330	582
Advocacy training		-	2,021
Sundry income		1,239	777
		<u>551,774</u>	<u>506,146</u>
<b>Expenditure</b>			
Newsletter, membership directory and publication of papers		58,045	48,318
Grants and awards		12,195	17,355
Hudson and King's prizes		7,306	5,132
Lecture programme		20,710	19,607
Advocacy training		2,866	5,518
SCL Consultant expenses	3	114,494	107,100
ESCL book expenditure		-	10,213
Bank charges		770	642
IT and Website		12,777	12,606
Audit		10,000	10,200
Subscriptions		625	600
Professional fees – diversity and equality		4,000	-
Accountancy		8,160	9,912
Donations		4,013	4,150
Foreign exchange differences		2	(94)
Irrecoverable VAT		11,099	9,841
Meetings	9	219,315	187,226
Sundry		-	33
		<u>486,377</u>	<u>448,359</u>
<b>Excess of income over expenditure before taxation</b>		<b>65,397</b>	<b>57,787</b>
Taxation	4	253	112
<b>Excess of income over expenditure after taxation</b>		<u><b>£65,144</b></u>	<u><b>£57,675</b></u>

**THE SOCIETY OF CONSTRUCTION LAW**

**STATEMENT OF FINANCIAL POSITION**

**AT 31 DECEMBER 2018**

	Notes	2018		2017	
		£	£	£	£
<b>Current assets</b>					
Debtors	5	65,409		98,185	
Cash and cash equivalents	6	848,948		737,028	
		914,357		835,213	
<b>Current liabilities</b>					
Creditors: Amounts due in less than one year	7	(278,629)		(264,629)	
		(278,629)		(264,629)	
<b>Net current assets</b>		£635,728		£570,584	
<b>Net assets</b>		£635,728		£570,584	
<b>Accumulated funds</b>					
<b>Income and expenditure account</b>					
Surplus brought forward			570,584		512,909
Surplus for the year			65,144		57,675
<b>Income and expenditure account</b>			£635,728		£570,584

The financial statements on pages 5 to 10 were approved and authorised for issue by the Council on April 2019 and were signed on its behalf by:

.....  
**R Bailey**  
**Treasurer**

.....  
**Jonathon Cope**  
**Chair**

**THE SOCIETY OF CONSTRUCTION LAW**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

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 2018**

***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:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Interest on National Westminster Bank Accounts	577	94
Interest on National Savings Investment Account	753	488
	1,330	582
	1,330	582

**3. SCL Consultant Expenses**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
During the year consultant expenses were paid in respect of:		
P Britton	-	1,760
S Hogg	6,629	6,872
F Patterson	1,720	5,520
E Peters	11,955	17,065
J Ward	51,189	42,337
F Whitehead	33,401	30,146
J Howard	9,600	3,400
	114,494	107,100
	114,494	107,100

**THE SOCIETY OF CONSTRUCTION LAW**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

<b>4. Taxation</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</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% (2017: 19.25%)	253	112
	<u>=====</u>	<u>=====</u>
<b>5. Debtors</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Trade debtors	9,889	11,571
Other debtors	26,247	19,079
Prepayments and accrued income	29,273	67,535
	<u>-----</u>	<u>-----</u>
	65,409	98,185
	<u>=====</u>	<u>=====</u>
<b>6. Cash and cash equivalents</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Cash at Bank	745,086	633,654
National Savings Investment account	103,862	103,374
	<u>-----</u>	<u>-----</u>
	848,948	737,028
	<u>=====</u>	<u>=====</u>
<b>7. Creditors: Amounts falling due in less than one year</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Trade creditors	8,744	5,415
Deferred income	228,792	219,553
Accruals	24,613	34,542
Corporation tax	253	112
Other taxation	15,666	4,446
Other Creditors	561	561
	<u>-----</u>	<u>-----</u>
	278,629	264,629
	<u>=====</u>	<u>=====</u>

**THE SOCIETY OF CONSTRUCTION LAW**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**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 2018 (2017: Nil).

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

**Year to 31 December 2018**

	<b>Income</b>	<b>Expenditure</b>	<b>Gross Profit/ (loss)</b>
SCL Events – AGM	19,900	(22,819)	(2,919)
SCL Events – London Lunch	118,983	(109,062)	9,921
SCL Events – Scottish Lunch	9,331	(7,137)	2,194
SCL Events – Leeds Lunch	14,596	(5,552)	9,044
SCL Events – Dublin Lunch	19,344	(13,591)	5,753
SCL Events – Bristol Lunch	7,267	(6,697)	570
SCL Events – Manchester Lunch	14,787	(12,292)	2,495
Annual Conference – Leeds	29,242	(9,201)	20,041
SCL Junior Events	24,584	(24,560)	24
Other Events	2,869	(8,404)	(5,535)
	<u>260,903</u>	<u>(219,315)</u>	<u>41,588</u>

**Year to 31 December 2017**

	<b>Income</b>	<b>Expenditure</b>	<b>Gross Profit/ (loss)</b>
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)
	<u>218,169</u>	<u>(187,226)</u>	<u>30,943</u>