

THE SOCIETY OF CONSTRUCTION LAW

Annual Report
for the year ended 31 December 2002

THE SOCIETY OF CONSTRUCTION LAW

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2002

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 2002.

TREASURER'S REVIEW

The income in 2002 was up 24% on 2001, which reflects the continuing growth of the Society. The activities of the Society also increased in 2002, with expenditure up 48% on 2001. The main increases in expenditure were in respect of:

- The publication and launch of the SCL's Delay and Disruption Protocol (offset by purchases and increased membership. The launch costs will not be repeated).
- The employment of a part time consultant.
- IT and website, which reflects the Council's commitment to developing the web site.
- Grants and awards, which reflects an increased level of applications for grants.

A coding system was instituted in 2002 to allocate expenses to specific headings. Because this system was not in place in 2001, some of the 2001 allocations have had to be assumed. The comparison of expenditures between 2001 and 2002, therefore, needs to bear this in mind.

The increased expenditure in 2002 was funded from the reserves. In order to maintain the current level of expenditure, Council agreed to increase the joining and membership subscriptions in 2003. The increased subscriptions have not affected the membership numbers.

A budget has been prepared for 2003 and the aim is for expenditure and income to break even. The Society remains in a good 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

**C Miers
Chairman**

16 May 2003

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

We have audited the financial statements 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 applicable accounting standards. Our responsibilities, as independent auditors, are established in United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 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 2002 and of its deficit of income over expenditure for the year then ended.

**Baker Tilly
Chartered Accountants
Registered Auditors**

2 Bloomsbury Street
London
WC1B 3ST

16 May 2003

THE SOCIETY OF CONSTRUCTION LAW
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2002

	Notes	2002 £	2001 £
Income			
Subscriptions	2	123,740	96,025
Sale of papers		2,001	1,283
Interest	3	4,106	5,431
Sundry income		3,906	6,145
		<u>133,753</u>	<u>108,884</u>
Expenditure			
Secretarial services and newsletter		41,402	37,931
Publication of papers		38,621	34,427
Launch & publication of SCL Protocol		13,099	-
Grants and awards		14,039	4,600
Hudson and King's prizes		7,952	4,007
Lecture programme		5,286	7,525
Other meetings		8,422	10,548
Advocacy training		762	-
SCL expenses in the UK		4,585	620
SCL expenses overseas		2,576	2,642
SCL Consultant expenses		11,665	-
Sundry expenditure		1,684	328
Bank charges		167	246
IT and Web site		21,409	12,979
Audit		2,030	1,637
Accountancy		375	350
Professional fees		305	170
		<u>174,379</u>	<u>118,010</u>
(Deficit)/excess of income over expenditure before taxation		(40,626)	(9,126)
Taxation	4	(411)	(543)
(Deficit)/excess of income over expenditure after taxation		(41,037)	(9,669)

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

THE SOCIETY OF CONSTRUCTION LAW

BALANCE SHEET

AT 31 DECEMBER 2002

	Notes	2002		2001	
		£	£	£	£
Current assets					
Cash at bank		32,123		38,755	
National savings investment account		78,605		114,499	
		—————	110,728	—————	153,254
Less					
Creditors: Amounts due in less than one year	5	(21,670)		(23,159)	
		—————	(21,670)	—————	(23,159)
Net current assets			89,058		130,095
			=====		=====
Accumulated funds					
Surplus brought forward			130,095		139,764
Income and expenditure account					
Deficit for the year			(41,037)		(9,669)
			—————		—————
Balance carried forward			89,058		130,095
			=====		=====

The financial statements on pages 3 to 5 were approved by the Council on 16 May 2003 and were signed on its behalf by:

.....
J Pragnell
Treasurer

.....
H Garthwaite
Secretary

THE SOCIETY OF CONSTRUCTION LAW
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002

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 when cash is received.

3. **Interest**

The interest earned in the year comprises:

	2002	2001
	£	£
Interest on National Savings Investment Account	4,106	5,431
	<u>=====</u>	<u>=====</u>

4. **Taxation**

The taxation charge for the year comprises:

	£	£
Current year tax due on National Savings Investment Account interest at 10.00% (2001: 10.00%)	411	543
	<u>=====</u>	<u>=====</u>

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

	£	£
Trade creditors	21,259	22,616
Taxation	411	543
	<u>-----</u>	<u>-----</u>
	<u>21,670</u>	<u>23,159</u>
	<u>=====</u>	<u>=====</u>