

# **THE SOCIETY OF CONSTRUCTION LAW**

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**Annual Report**  
for the year ended 31 December 2004

**THE SOCIETY OF CONSTRUCTION LAW**

**ANNUAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2004**

## **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 2004.

### **TREASURER'S REVIEW**

Income in 2004 increased by 11 % on 2003 and this is due to the continuing growth of the Society, both nationally and with the step change into international 'virtual' membership. Costs have been kept under control and are within budget for 2004.

The Society is expanding and diversifying how it operates and we are financially robust now to take on specific policy matters such as the Ethics project. We recognise that we needed to support the regions proactively and have engaged Arul Selvaratnam to manage this for us. In addition, we have engaged the skills of John Burgess to manage and co-ordinate our events and meetings and raise the profile of the Society in the press and to strengthen our voice in the industry.

We have successfully implemented other management accounting practices, including internet access to our accounts and optimising the Deposit Account to take the Society forward for the 21st Century so it can continue to grow its core activities and develop for the benefit of members.

A budget has been approved for 2005 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**

**Anthony Lavers**  
**Chairman**

11 May 2005

**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 2004 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

11 May 2005

**THE SOCIETY OF CONSTRUCTION LAW**

**INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**

	Notes	2004 £	2003 £
<b>Income</b>			
Subscriptions	2	155,825	140,395
Sale of papers		1,277	1,159
Interest	3	3,012	2,486
Sundry income		2,099	1,897
		<u>162,213</u>	<u>145,937</u>
<b>Expenditure</b>			
Secretarial services and newsletter		41,029	43,581
Publication of papers		17,793	23,635
Launch & publication of SCL Protocol		831	614
Grants and awards		3,812	1,027
Hudson and King's prizes		3,366	3,250
Lecture programme		8,019	9,057
Other meetings		3,600	1,780
Advocacy training		-	655
SCL expenses in the UK		1,433	2,995
SCL expenses overseas		806	464
SCL Consultant expenses		5,246	-
Sundry expenditure		1,266	1,097
Bank charges		-	21
IT and Web site		18,426	19,667
Audit		3,547	1,818
Accountancy		3,220	375
Professional fees		35	550
		<u>112,429</u>	<u>110,586</u>
<b>Excess/ (deficit) of income over expenditure before taxation</b>		49,784	35,351
Taxation	4	-	310
<b>Excess/(deficit) of income over expenditure after taxation</b>		<u>49,784</u>	<u>35,661</u>

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 2004

	Notes	2004		2003	
		£	£	£	£
<b>Current assets</b>					
Trade debtors		3,100		-	
Prepayments and accrued income		-		600	
Cash at bank		109,925		74,143	
National savings investment account		84,103		81,091	
		<u>          </u>	197,128	<u>          </u>	155,834
<b>Less</b>					
Creditors: Amounts due in less than one year	5	(22,625)		(31,115)	
		<u>          </u>	(22,625)	<u>          </u>	(31,115)
<b>Net current assets</b>			<u>          </u>	<u>          </u>	
			174,503		124,719
			<u>          </u>	<u>          </u>	
<b>Accumulated funds</b>					
Surplus brought forward			124,719		89,058
<b>Income and expenditure account</b>					
Excess/(deficit) for the year			49,784		35,661
			<u>          </u>	<u>          </u>	
<b>Balance carried forward</b>			<u>          </u>	<u>          </u>	
			174,503		124,719
			<u>          </u>	<u>          </u>	

The financial statements on pages 3 to 5 were approved by the Council on 11 May 2005 and were signed on its behalf by:

.....  
**C King**  
Treasurer

.....  
**N Gould**  
Secretary

**THE SOCIETY OF CONSTRUCTION LAW**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**

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. The subscription period runs from 01 January to 31 December. Subscriptions received after 30 September are treated as deferred income for the following year.

3. **Interest**

The interest earned in the year comprises:

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Interest on National Savings Investment Account	3,012	2,486
	<u>          </u>	<u>          </u>

4. **Taxation**

The taxation charge for the year comprises:

	<b>£</b>	<b>£</b>
Current year tax due on National Savings Investment Account interest at 0.00% (2003: 0.00%)	-	
Overprovision in 2002		(310)
	<u>          </u>	<u>          </u>

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

	<b>£</b>	<b>£</b>
Trade creditors	9,361	9,345
Deferred subscriptions	13,264	21,770
Taxation	-	-
	<u>          </u>	<u>          </u>
	<u>22,625</u>	<u>31,115</u>