



The General Council of the Bar

Financial Statements for the year to 31 March 2020

The General Council of the Bar
Financial Statements for the year to
31 March 2020

Contents

	Page No.
Treasurer's Report	3-4
Financial Commentary	4
Statement of Council Members' Responsibilities	10
Independent Auditor's Report	11-12
Independent Report to the General Council of the Bar in respect of the Statement under s.51 Legal Services Act 2007	13-14
Consolidated Statement of Comprehensive Income	15
Consolidated Statement of Changes in Equity	16
Statements of Financial Position	17
Consolidated Statement of Cash Flows	18
Notes to the Financial Statements	19-38
Statement under s.51 Legal Services Act 2007 – Permitted Purposes	23
Officers and Professional Advisors	40

The General Council of the Bar
Financial Statements for the year to
31 March 2020

Treasurer's Report

While I write this report, the coronavirus pandemic ("COVID-19") has already dramatically disrupted the lives of those at the Bar and the many stakeholders linked to the profession, in some instances with tragic consequences.

The economic impact of COVID-19 will have a significant effect on the GCB. We anticipate this impact to particularly affect financial years commencing 31st March 2021 onwards.

In order to support the profession, in March 2020, the GCB made the decision to extend the timetable for barristers to pay their practising certificate fees ("PCF") from 31 March to 31 May 2020. Additionally, a two-staged payment process was introduced for those chambers paying in "bulk". This allowed 50% of PCF to be paid by 31 May 2020 and the remaining 50% by 31 October 2020. This resulted in a lower year-end cash balance of £6,527k (against £13,826k as at 31 March 2019).

The current uncertainty caused by COVID-19 reaffirms the need to maintain the strong focus upon the GCB's cost structure. We need to continue to pursue those actions which deliver cost efficiencies and reduce waste from the systems. As a direct response to the uncertainty, the GCB is investigating the possibility of raising debt under the Government backed Coronavirus Business Interruption Loan Scheme. Strong cost discipline will ensure a sound financial base for the GCB as it continued impact of COVID-19 is felt and secondly provide a good basis from which to grow and thrive.

I want to help our members and other stakeholders better understand the GCB's 2020 financial performance. I would therefore highlight:

- Reserves - Total general reserves remain positive at £4,756k, the permitted purposes reserves are positive at £185k. The reserves figure should not be considered in isolation. Although we continue increase our reserves, the free cash reserves (the readily convertible to cash amount) for the GCB parent is £1,718k. This reflects the unrestricted cash on hand available to sustain the organisation.
- Pension – The accounts show the defined benefit pension scheme ("DB Pension Scheme") is in surplus. However, the actuarial report shows a deficit. This is due to the different basis of valuation between the accounts under FRS 102 and the actuarial valuation under the triennial reports. In 2020 the GCB finalised a new schedule of repayment the DB Pension Scheme's Trustees. The next triennial report will be delivered December 2022.
- Cash – The cash position must continue to be carefully monitored and managed.

We are making good progress delivering against the business plan.

I should like to thank the excellent team at the GCB. Their dedication and professionalism enabled the GCB to swiftly implement its business continuity plan and continue to deliver against its objectives during these exceptional times. In particularly the Finance Team lead by our Finance Director, Richard Cullen have faced every challenge head on.

The General Council of the Bar

Financial Statements for the year to 31 March 2020

Financial Commentary

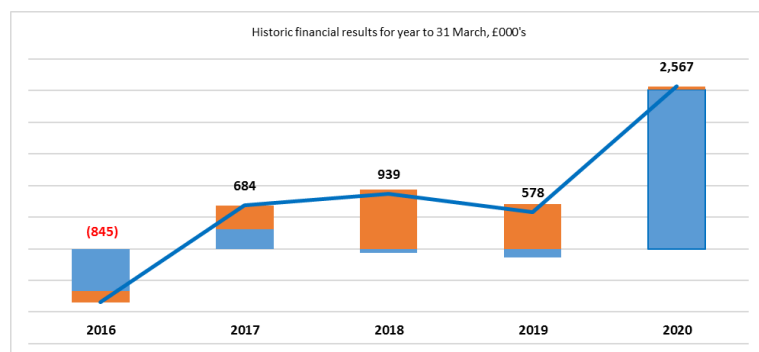
The financial statements for the General Council of the Bar combine the activities of the association and subsidiary entities into group accounts. The commentary and notes distinguish between the components with these references:

- The Bar Council (BC): the representative body for the profession undertaking permitted purposes activities under s51 of the Legal Services Act 2007 (LSA 2007) and providing services to the profession. The Bar Council is also the Approved Regulator;
- The Bar Standards Board (BSB): the operationally independent regulator;
- Bar Services Company Ltd (BSC): trading as 'BARCO' providing escrow services to the Bar;
- Bar Council Scholarship Trust (BCST): a charitable trust included because GCB appoints the Trustees;
- The Barristers' Foundation (BCST): a company limited by guarantee not having share capital is included because GCB appoints the Directors';
- The Bar Direct Access Portal Limited (BDAP): 50% owned by GCB, post year-end the General Council of the Bar acquired the remaining 50% shareholding; and
- Bar Properties Ltd is a dormant subsidiary that exists only to hold the lease on the office property. Its accounts are excluded as they are immaterial.

Each component part above has its own sources of income and expenditure but the BC and BSB share the compulsory practising certificate fee (PCF) and supporting overheads. These financial statements distinguish between BC and BSB operations to provide clarity on the application of income and the use of resources. The association and the whole group above are referred to as the General Council of the Bar or GCB.

Financial Review

Overall income rose £2.1m to £18.8m from £16.7m in 2018/19. Total costs increased £0.1m to £16.2m (2018/19: £16.1m). A total surplus of £2,567k was achieved, up £1,989k against the prior year's surplus of £578k.



The General Council of the Bar
Financial Statements for the year to
31 March 2020

Historic financial results for year to 31 March, £000's					
	2016	2017	2018	2019	2020
- Bar Council	(601)	228	(20)	32	1,644
- Bar Standards Board	(69)	76	(44)	(165)	870
Operating Surplus/(Loss)	(670)	304	(64)	(133)	2,514
Non-Operating Surplus	(175)	380	939	711	53
Total Surplus/(Loss)	(845)	684	875	578	2,567

The operating activities are those day-to-day activities of the Bar Council and BSB. Operating costs were £0.4m lower at £14.9m (2018/19: £15.3m). Staffing costs decreased £58k due to restructuring throughout the organisation. Non-staffing costs decreased due to incurring the printer lease termination costs in 2018/19 and a reduction in overhead support costs. Furthermore, the decreased operating costs were coupled with the £357k windfall in income from greater PCF collections to give an operating surplus of £2,514k (2018/19 deficit of £133k).

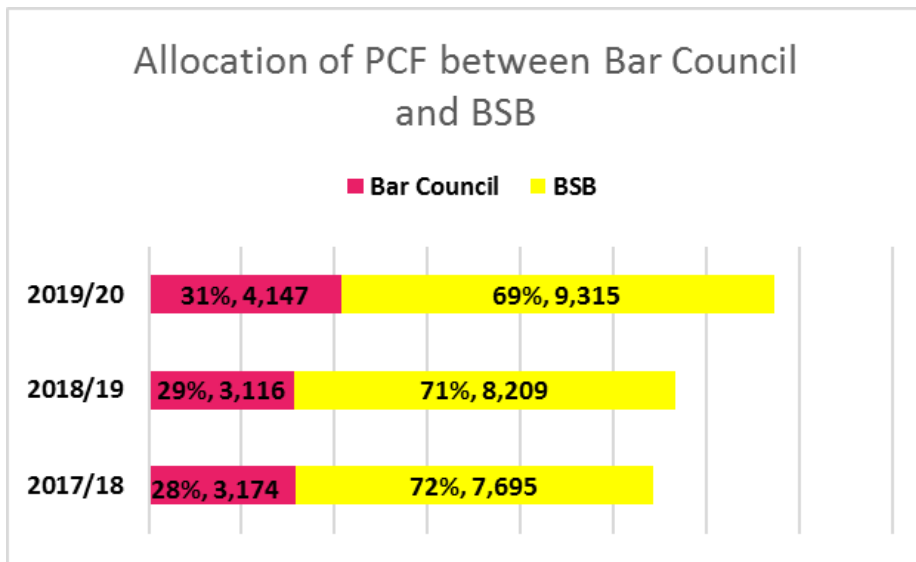
Non-operating results include the actuarial adjustments for the closed defined benefit pension scheme, the annual levy contributions to the LSB and the legal ombudsman and accounting adjustments from GCB's investment valuations. A non-operating surplus of £53k was achieved (2018/19: £711k non-operating surplus) including the annual payment of £1m towards the defined benefit pension scheme under the agreed recovery plan.

Most income derives from PCF. In 2019/20 £14.9m of PCF was applied to fund the organisation, an increase of £2.2m on the previous year (2018/19: £12.7m). This increase was driven by the addition of two new PCF which was used to pay for the property refurbishment project, combined with the demographic increase in PCF revenue.

£1m of PCF revenue was attributed to the pension scheme recovery plan (2018/19: £1m). The contribution being met from a ringfenced £1.3m annual contribution to reserves. The GCB's share of the operating costs of the Legal Services Board and the legal ombudsman in 2019/20 was £838k (2018/19: £791k).

The PCF income is shared between Bar Council and BSB to cover the cost of permitted purposes activities only and after other income is considered.

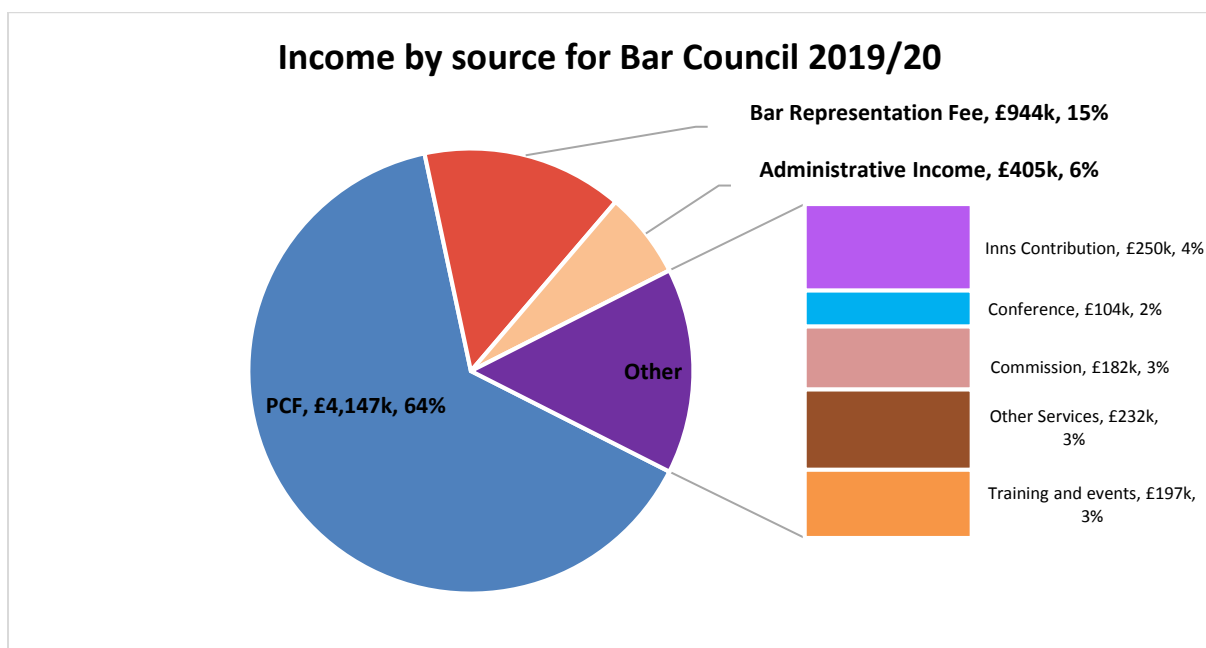
The General Council of the Bar
Financial Statements for the year to
31 March 2020



Bar Council

The financial report for Bar Council includes all representation and approved regulator activities as well as services to the profession. Bar Council aims to minimise the amount of PCF needed to fund representation activities by building and maintaining a variety of income sources. 64% of the Bar Council's income is drawn from PCF (2018/19: 58%).

Total income rose 19%, £1,028k, to £6,461k (2018/19: £5,433k). Income from services to the bar increased by 19%, £1,464k v £1,235k; a £250k contribution from the Inns of Court was received towards wellbeing and educational activities.



Expenditure increased 3.5%, £190k to £5,591k (2018/19: £5,401k).

The General Council of the Bar
Financial Statements for the year to
31 March 2020

Bar Standards Board

The BSB is funded by practising certificate fee income topped up by income raised through regulatory fees and charges.

Total income was up 12%, £1,138k to £10,912k (2018/19: £9,774k). Most of this increase came from PCF. There was a £32k increase in fees and charges revenue from training providers due to the increase in numbers of students undertaking training for the Bar.

Expenditure decreased 7%, £671k to £9,268k (2018/19: £9,939k): staffing costs were £75k lower, £4.4m (2018/19: £4.5m). Non-staff costs decreased £47k. The remaining decrease arose from the proportional share of Resources Group costs of £506k and the movement in the holiday pay accrual of £43k.

Resources Group

The Resources Group includes the back-office functions of: Human Resources, Finance, Information Services, Office Services, the BC's Project Management Office, the Membership Records function and the facilities and property costs of GCB. The costs are fully apportioned between BC and BSB and reported as part of the total cost of each group.

Operating costs decreased 10.1%, £0.6m, to £5.7m (2018/19: £6.3m) due to lower legal costs, exit costs for the photocopier lease incurred in 2018/19, and lower staffing costs.

Assets, Liabilities and Reserves.

Net assets increased to £5,427k (2018/19: £3,872k) driven primarily by the property project which was completed in March 2020. In addition, the timing of cash collection has contributed to the decrease in deferred income.

Fixed Assets increased by £1,925k to £6.3m (2018/19: £4.3m). This is largely attributable to the Property Project and Finance Improvement Project.

The Investment in Subsidiaries remained consistent at £21k. This note applies only to the parent balance sheet.

Debtors and prepayments increased by £176k to £3,440k (2019/20: £3,264k) due to the timing differences in issuing invoices and cash received at year-end.

Cash levels decreased to £6.3m (2018/19: £13.5m). The decision to delay ATP collection for the 2020/21 financial year has resulted in a temporarily lower cash position at the end of the 2019/20 financial year, along with a corresponding decrease in deferred income to £6.4m.

Other creditors decreased £435k to £1,889k (2018/19: £2,324k). This is due to timing differences in payment of creditors.

The Pension's Liability records the accounting valuation of the surplus or deficit on the defined benefit pension scheme under relevant financial standards. At 31 March, the scheme was in surplus but is reported in the accounts at nil value consistent with the FRS102 financial standard (2018/19: £0m).

The General Council of the Bar
Financial Statements for the year to
31 March 2020

The investment losses for the year were £240k (2018/19: £93k gain). This decrease is attributable to market conditions which has resulted in the value of the portfolio decreasing.

Reserves

General reserves increased to £4.8m (2018/19 £3.1m). £78k was incurred for legal costs and £100k was reallocated to the legal challenges reserve to maintain future legal defence costs of the BSB defending regulatory decisions.

There was no change in Pension reserves (2018/19: £nil) in line with the FRS102 valuation outcome

Statement of Key Risks

GCB has a formal risk management process through which the organisation's risks are identified and monitored. The Bar Council and Bar Standards Board separately identify and manage the major risks to which they are exposed. These risks are updated regularly and collated into relevant risk control documents highlighting likelihood, impact and mitigating actions. All significant corporate risks are reviewed regularly throughout the year by the Audit Committee.

The role of the Audit Committee is to review and advise on all corporate governance and risk management matters and to review the effectiveness of all internal controls and audit practises. Its primary mechanism to achieve this is to scrutinise, the risk registers of the Bar Council and BSB.

The Audit Committee provides separate oversight of the BSB corporate risk register to that provided by the Governance, Risk and Audit Committee of BSB to ensure that shared or organisational risks are managed as such.

In 2019/20, the management team consider that the following risks should be noted:

Key Risk	Mitigating actions
Economic impact of COVID-19	<p>The devastating effect of the pandemic on barristers' income has a direct, though delayed impact on the finances of the GCB. The inherent uncertainty as to when and how quickly things will return to normal impacts on our forecasts and plans for the future.</p> <p>We currently expect there to be a shortfall in income and are finalising plans to mitigate this situation. We will continue to revise our financial forecasts as information becomes available. A number of financial scenarios have been identified. Mitigating actions have been developed to meet the shortfall and incorporated into our financial forecast.</p>

The General Council of the Bar
Financial Statements for the year to
31 March 2020

Key Risk	Mitigating actions
	<p>Our financial forecast and mitigating actions will continue to be refined to meet the on-going challenge.</p> <p>After being developed and tested in 2019, the GCB's business continuity plan was successfully deployed during COVID-19. These plans enabled the Bar Council and BSB to move seamlessly to remote working model for the duration of the lockdown.</p>
<p>Government policy to consult on changes to regulatory arrangements potentially threaten the Bar Council's status as the Approved Regulator and its main funding source of PCF.</p>	<p>The Bar Council has examined potential scenarios and actively seeks alternative funding options as part of its strategic plan. The Bar Council considers this risk to be receding only in the very short term as government and parliament address Brexit and other priorities.</p>
<p>A failure of cyber and information security safeguards leading to accidental or malicious security breaches.</p>	<p>A comprehensive scheme of safeguarding activities and policies is in place to address the current, anticipated and evolving threats. This programme is monitored by the Chief Information Officer with regular oversight by the senior management and Audit Committee.</p>
<p>That the plans the Bar Council has put in place to address the long-term financial obligation of the Defined Benefit Pension Scheme are insufficient and therefore undermine the Bar Council's financial security and reputation.</p>	<p>The latest triennial valuation for 30 September 2019 has been agreed with the pension trustees. The revised deficit has been agreed at £5.3M. As part of these negotiations, the GCB agreed to increase contributions annually from £1M to £1.150M, an increase of £150k per year. Due to the coronavirus the Trustees have agreed that this £1.150M may be paid in two halves for the financial years 2020/21 and 2021/22.</p> <p>There is now a better understanding across the group on the significance of the pension deficit. The risk is being managed through the financial recovery plan and is currently not material to the operational business. But, as a strategic risk, it is a longer term risk and therefore the impact is medium.</p>

The Bar Council is satisfied that systems have been developed and are in place to mitigate identified risks to an acceptable level.

The General Council of the Bar
Financial Statements for the year to
31 March 2020

Statement of Council Members' Responsibilities

The purpose of this statement is to distinguish the responsibilities of the Council Members of the General Council of the Bar from those of the Auditors as stated in their report.

The Constitution of the General Council of the Bar requires that the Council Members of the General Council of the Bar, as a body, shall cause proper books of account to be kept with respect to the affairs of the General Council of the Bar. The Members are required to prepare Accounts for each financial year which give a true and fair view of the state of affairs of the General Council of the Bar and its subsidiaries and of their income and expenditure for the period. The Members of the General Council of the Bar are also responsible for safeguarding the General Council of the Bar's assets, and hence for taking reasonable steps for the prevention and detection of error, fraud and other irregularities.

In preparing the accounts, the Members of the General Council of the Bar will:

- Select suitable accounting policies and then apply them consistently, making judgements and estimates that are reasonable and prudent;
- Follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts; and
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the General Council of the Bar will continue in operation.

The Members are also responsible for the maintenance and integrity of the corporate and financial information included on the Bar Council's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Approved by the Bar Council on

2020 and signed on its behalf by:

Chair of the Bar Council

Treasurer of the Bar Council

The General Council of the Bar
Financial Statements for the year to
31 March 2020

Independent Auditor's Report to the Members of
The General Council of the Bar

Opinion

We have audited the financial statements of General Council of the Bar for the year ended 31 March 2020 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Group and Parent Statements of Financial Position, the Consolidated Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent's affairs as at 31 March 2020 and of the group's result for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

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 report. We are independent of the group 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.

Responsibilities of Council for the financial statements

As explained more fully in the Statement of Council Members' Responsibilities, the Members of Council are 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 they determine 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 Members of Council are responsible for assessing the group's and the parent'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 group or the parent 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

The General Council of the Bar
Financial Statements for the year to
31 March 2020

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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 Council Members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Council Members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent'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 Council Members are responsible for the other information. The other information comprises the information included in the Treasurer's Report, which includes the Financial Review. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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.

Use of our report

This report is made solely to the members of the General Council of the Bar, as a body, in accordance with the Council's Constitution. Our audit work has been undertaken so that we might state to the 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 General Council of the Bar or its members, for our audit work, for this report, or for the opinion we have formed.

Haysmacintyre LLP
Statutory Auditor
10 Queen Street Place
London EC4R 1AG

Date: **2020**

The General Council of the Bar
Financial Statements for the year to
31 March 2020

Independent Report to the General Council of the Bar
In respect of the Statement under s.51 Legal Services Act 2007

Scope

In accordance with our engagement letter, we report on the procedures that we have performed on the accompanying Statement under section 51 of the Legal Services Act 2007 ("LSA Statement") for the year ended 31 March 2020, the preparation of which is the responsibility of the General Council of the Bar.

We have carried out the procedures set out below, as agreed with you, and as specified in our engagement letter. These procedures performed do not constitute an audit and therefore we do not express any opinion on the allowable expenditure met by other income on the LSA Statement. This report does not extend to any financial statements of the General Council of the Bar.

Purpose of procedures

The specific procedures that you have requested that we perform are required by you to assist in enabling you to demonstrate, if required, that income from practising certificate fees has been used for the purposes set out in section 51 of the Legal Services Act 2007.

Procedures performed

We have carried out the following procedures:

- Confirmed the arithmetical accuracy of the LSA Statement;
- Verified that the PCF income and expenses, as categorised on the LSA Statement, has been accurately derived from the accounting records used in the preparation of the audited financial statements: and
- For a sample of items of expenditure, agreed the amount to supporting documentation, verified that the expenditure has been incurred and that it is properly chargeable as an expense in respect of the year in question.

Findings

No errors or exceptions were identified in our work.

The General Council of the Bar
Financial Statements for the year to
31 March 2020

Independent Report to the General Council of the Bar
In respect of the Statement under s.51 Legal Services Act 2007
(Continued)

Use of this report

Our report is prepared solely for the use of the General Council of the Bar and solely for the purpose of assisting you in demonstrating that income from practising certificate fees has been used for the purposes set out in section 51 of the Legal Services Act 2007. It may not be relied upon by the General Council of the Bar for any other purpose whatsoever. Our report must not be recited or referred to in whole or in part in any other document without our prior written approval. We confirm that access to our report may be given to representatives of the Ministry of Justice for the purposes set out in section 51 of the Legal Services Act 2007 although, as our report is addressed to you as our client, Haysmacintyre neither owes nor accepts any duty to any party other than yourselves and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by their reliance on our report.

Haysmacintyre LLP
Statutory Auditor
10 Queen Street Place
London. EC4R 1AG

Date: **2020**

The General Council of the Bar
Financial Statements for the year to
31 March 2020

Consolidated Income Statement of Comprehensive Income

	Notes	2020 £000's	2019 £000's
INCOME			
Regulation PCF (BSB)		9,315	8,209
Regulation (BSB)		1,597	1,565
Representation PCF		4,147	3,116
Representation		821	1,030
Services to the Bar		1,464	1,235
Subsidiaries		29	52
Non-operating activities PCF		1,419	1,489
Interest on Pension Assets		12	13
		-----	-----
Total income	3 & 4	18,804	16,709
EXPENDITURE			
Regulation (BSB)		9,268	9,939
Representation		4,225	4,218
Services to the Bar		1,305	1,143
Subsidiaries		61	40
Non-operating activities PCF		1,378	791
		-----	-----
Total expenditure	3	16,237	16,131
Surplus / (Deficit) for the Year before Taxation		2,567	578
Taxation		-	-
		-----	-----
Surplus / (Deficit) for the Year After Taxation		2,567	578
Actuarial (loss)/gain on Pension Fund		(1,012)	(1,013)
		-----	-----
Total Comprehensive Income		1,555	(435)
		=====	=====
Represented by:			
General Council of the Bar Group		(1,562)	(431)
Non-Controlling interest		7	(4)
		=====	=====

The Notes on pages 19-38 form an integral part of these Statements

The General Council of the Bar
Financial Statements for the year to
31 March 2020

Consolidated Statement of Changes in Equity

	General Reserves	Pension Reserve	Revaluation Reserve	Charity Reserves	Non-Controlling Interest	Group Total
	£000's	£000's	£000's	£000's	£000's	£000's
Balance: 1 Apr 2019	3,109	-	-	784	(21)	3,872
Changes in year: Surplus for the year	2,647	12	-	(85)	(7)	2,567
Transfer to Pension Reserve	(1,000)	1,000	-	-	-	-
Pension scheme: Actuarial Gain/(Loss)	-	(1,012)	-	-	-	(1,012)
	-----	-----	-----	-----	-----	-----
Balance: 31 Mar 2020	4,756	-	-	699	(28)	5,427
	=====	=====	=====	=====	=====	=====

	General Reserves	Pension Reserve	Revaluation Reserve	Charity Reserves	Non-Controlling Interest	Group Total
	£000's	£000's	£000's	£000's	£000's	£000's
Balance: 1 Apr 2018	3,551	-	-	773	(17)	4,307
Changes in year: Surplus for the year	558	13	-	11	(4)	578
Transfer to Pension Reserve	(1,000)	1,000	-	-	-	-
Pension scheme: Actuarial Gain/(Loss)	-	(1,013)	-	-	-	(1,013)
	-----	-----	-----	-----	-----	-----
Balance: 31 Mar 2019	3,109	-	-	784	(21)	3,872
	=====	=====	=====	=====	=====	=====

The Notes on pages 19-38 form an integral part of these Statements.

The General Council of the Bar
Financial Statements for the year to
31 March 2020

Statements of Financial Position

		Parent		Group	
		31/03/2020	31/03/2019	31/03/2020	31/03/2019
		£000's	£000's	£000's	£000's
Tangible Fixed Assets					
Property, plant and equipment	9	4,321	2,153	4,322	2,157
Investment in Subsidiaries	10	21	21	-	-
Listed Investments	11	1,293	1,440	1,932	2,172
		-----	-----	-----	-----
		5,635	3,614	6,254	4,329
		-----	-----	-----	-----
Current Assets					
Debtors & Prepayments	12	3,070	3,317	3,440	3,264
Cash and cash equivalents Bank		6,527	13,826	6,252	13,982
		-----	-----	-----	-----
		9,597	17,143	9,692	17,246
		-----	-----	-----	-----
Creditors: due within one year	13	(10,476)	(17,676)	(10,519)	(17,703)
		-----	-----	-----	-----
Net Current Liabilities		(879)	(533)	(827)	(457)
		-----	-----	-----	-----
Total Assets less Current Liabilities		4,756	3,081	5,427	3,872
		-----	-----	-----	-----
Pensions Liability	15	-	-	-	-
Deferred taxation		-	-	-	-
		-----	-----	-----	-----
Net Assets including Pensions		4,756	3,081	5,427	3,872
		=====	=====	=====	=====
Represented by:					
General Reserve	8	4,756	3,081	4,756	3,109
Pensions Reserve		-	-	-	-
		-----	-----	-----	-----
		4,756	3,081	4,756	3,109
		-----	-----	-----	-----
Revaluation reserve		-	-	-	-
Charitable Trust		-	-	699	784
Non-Controlling Interest		-	-	(28)	(21)
		-----	-----	-----	-----
		4,756	3,081	5,427	3,872
		=====	=====	=====	=====

Approved by the Bar Council on

2020 and signed on its behalf by:

Chair

Treasurer

The Notes on pages 19-38 form an integral part of these Statements.

The General Council of the Bar
Financial Statements for the year to
31 March 2020

Consolidated Statement of Cash Flows

	Year to 31/03/20 £000's	Year to 31/03/19 £000's
Reconciliation of Operating surplus to Net Cash Flow from operating activities:		
Operating (Deficit)/Surplus	2,567	578
Investment (Gain)/Loss	240	(93)
Pension scheme administration costs	15c -	-
Net Pension scheme contributions	(1,000)	(1,000)
Pension scheme net interest cost/(income)	15c (51)	(17)
Depreciation charge	662	698
(Increase) in Debtors	(176)	(559)
Increase in Creditors	(7,132)	2,477
	-----	-----
Net Cash Flow from Operating Activities	(4,890)	2,084
Investing activities:		
Purchase of Tangible Fixed Assets	(2,829)	(535)
Purchase of Listed Investments	(637)	(511)
Sale of Listed Investments	626	546
	-----	-----
Cash Flow from Investing Activities	(2,840)	(500)
	(7,730)	1,584
Increase/(Decrease) in Cash and cash equivalents	(7,730)	1,584
Cash and cash equivalents at 1 April	13,982	12,398
	-----	-----
Cash and cash equivalents at 31 March	6,252	13,982
	=====	=====

The Notes on pages 19-38 form an integral part of these Statements.

The General Council of the Bar
Financial Statements for the year to
31 March 2020

Notes to the Financial Statements

1. Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of freehold land and buildings and of listed investments, and in accordance with FRS102 *the financial reporting standard applicable in the UK and Ireland*.

The accounts have been prepared on the assumption that the Bar Council is able to carry on its activities as a going concern. In assessing the Bar Council's ability to continue as a going concern, the members have considered the Association's liquidity position and reviewed cash flow forecasts for the foreseeable future. This includes a detailed assessment by the members of the possible impact of the COVID-19 crisis on future operations.

For this reason, the members continue to adopt the going concern basis in preparing the accounts.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Bar Council's accounting policies (see note 2).

The following principal accounting policies have been applied:

2. Accounting policies

Basis of consolidation

The group accounts comprise the accounts of the General Council of the Bar, a subsidiary company (the Bar Services Company Limited and The Bar Direct Access Portal Ltd, 50% owned by GCB), a charitable trust (the Bar Council Scholarship Trust). The charitable trust has been consolidated as the Bar Council has the power of appointment over the Trustees and is therefore deemed in control of its funds. A third subsidiary company (the Bar Council Properties Limited) has been excluded on the grounds of immateriality. All of these accounts are made up to 31 March.

Separate non-consolidated statements have not been prepared for the GCB and this omission is considered immaterial to an understanding of these accounts. The separate results of the subsidiaries and the charitable trust are shown in Note 10.

Income recognition

Income is recognised when the three criteria of entitlement, probability of receipt and reliability of measurement have been satisfied.

Operating activities

All income from the Bar is accounted for in the period to which it relates. Practising Certificate Fees and the Bar Representation Fee are usually collected in the financial years prior to the year in which they are applied.

Income from courses and events is recognised in the period in which the course or event takes place.

Other Income is recognised when goods or services have been supplied.

The General Council of the Bar
Financial Statements for the year to
31 March 2020

Levies

In addition to funding core activities, Bar Council pays levies towards the retrospective running costs of the Legal Services Board and the Office of Legal Complaints. These levies are met from PCF raised at the end of the year. These levies are for permitted purposes and are reported as a non-operating cost. Amounts recognised are those amounts charged in the year.

Property, plant and equipment

Property, plant and equipment is measured at historical cost.

Depreciation is provided on all classes of property, plant and equipment and is calculated on a straight-line basis over their estimated useful economic lives. The rates of depreciation per annum are as follows:

Leasehold improvements: Over the remaining period of the lease
Office furniture and IT equipment: 33.3%
Database and Computer Software: 20.0%

Computer software is written off in the year in which the expenditure is incurred, unless it can be demonstrated that the software has a useful economic life longer than one year.

Depreciation is usually charged from the date that an asset is first brought into use. In respect of databases, depreciation commences once the asset is fully functional: see Note 9.

Listed investments

Listed investments are stated at market value. Unrealised gains and losses are recognised in the Revaluation Reserve until the investment is disposed of, at which time the cumulative gain or loss previously recognised in the Revaluation Reserve is transferred between reserves.

Investments in subsidiaries and joint venture

Investments in subsidiaries are measured at cost less provision for impairment in the Bar Council's own financial statements.

The investment in Direct Access Portal Limited is measured at cost less provision for impairment in the Bar Council's own financial statements. In the consolidated financial statements, the investment is measured at the transaction price less accumulated losses since the date of acquisition, to a minimum value of £0 in accordance with Sections 14 and 15 of FRS102.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Creditors

Short term creditors are measured at the transaction price.

Financial Instruments

The General Council of the Bar
Financial Statements for the year to
31 March 2020

The Bar Council only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

Financial assets that are measured at cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment is recognised in the Income statement. Any impairment is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the union would receive for the asset if it were to be sold at the reporting date.

Judgements in applying accounting policies

Management considers that the main area of judgement in the application of accounting policies relates to the valuation of the defined benefit pension scheme. Judgement has been applied in the selection of the key financial assumptions which underpin the calculation of the defined benefit asset or liability and also in limiting the recognition of the defined benefit asset in the comparative year as set out in note 15.

Pension scheme

The Bar Council operates two pension schemes for staff: a defined contribution scheme and a defined benefit scheme, now closed to accrual.

For the defined contribution scheme, the cost recognised for the year is the employer contributions paid during the year recognised in Staff Costs.

For the defined benefit scheme, the amounts charged for pension costs are the service costs, the gains or losses on settlements and curtailments and the net interest cost on the scheme deficit. Actuarial gains and losses are recognised immediately in the Statement of Comprehensive Income. The defined benefit scheme is funded, with the assets of the scheme held separately from those of the Bar Council, in a Trustee-administered Fund. Scheme assets are measured at fair value, while liabilities are measured on an actuarial basis, using the projected unit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities. The resulting pension scheme asset or liability is presented separately after other net assets on the face of the Statement of Financial Position.

Taxation

Current tax

The Bar Council is subject to corporation tax on investment gains and certain income streams, comprising non-membership non-regulatory activities and income from investments. Regulatory activities are not subject to tax because they relate to the Bar Council's legal duty to act as a regulator and membership activities are not subject to corporation tax because they represent mutual trading.

Deferred tax

Deferred tax is provided on all timing differences where the ultimate crystallization of a gain is expected to give rise to a tax liability, primarily being unrealised gains on listed equity and unit trust investments. Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or the reduction of other future tax liabilities.

The General Council of the Bar
Financial Statements for the year to
31 March 2020

Operating leases

Operating lease rentals payable are charged to the Income Statement in equal annual amounts over the lease term. Any rent-free period is amortised evenly over the period to which it relates, and the balance is carried forward in Other Creditors.

Employee Termination Payments and Employee Benefits

Employee termination payments and employee benefits are accounted for on an accruals basis.

The General Council of the Bar
Financial Statements for the year to
31 March 2020

3. Expenditure Analysis & Statement under s.51 Legal Services Act 2007

Expenditure/Costs:	2019/20 Spend			Analysis of Spend		Funded By					Total Income £000	Surplus / (Deficit) £000
	Direct Spend £000	Allocated Costs £000	Total Spend £000	Permitted Purposes £000	Other Purpose £000	Direct Income £000	Inns Cont'n £000	BRF £000	Other £000	PCF (P.P. only) £000		
(A) Regulation (BSB)												
Regulatory Operations	(2,271)	(1,632)	(3,903)	(3,903)	-	1,570	-	-	-	3,337	4,907	1,004
Legal and Enforcement	(1,737)	(1,218)	(2,955)	(2,955)	-	24	-	-	-	3,470	3,494	539
Strategy & Policy	(1,032)	(765)	(1,797)	(1,797)	-	-	-	-	-	1,869	1,869	72
Comms and Public Engagement	(415)	(226)	(641)	(641)	-	3	-	-	-	667	670	29
Movement in holiday accrual	-	28	28	28	-	-	-	-	-	(28)	(28)	-
	<u>(5,455)</u>	<u>(3,813)</u>	<u>(9,268)</u>	<u>(9,268)</u>	<u>-</u>	<u>1,597</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,315</u>	<u>10,912</u>	<u>1,644</u>
(B) Representation (BC)												
Approved Regulator: Corp.	(975)	(366)	(1,341)	(1,207)	(134)	216	-	-	-	1,219	1,435	94
Donations:	(242)	-	(242)	(242)	-	-	-	-	-	242	242	-
Representation & Policy:												
Regulation, Law Reform & Ethics	(219)	(136)	(355)	(337)	(18)	2	-	17	-	348	367	12
Legal Practice & Remuneration	(271)	(238)	(509)	(509)	-	10	-	-	-	526	536	27
Diversity & Inclusion	(280)	(136)	(416)	(416)	-	61	236	-	-	430	727	311
International	(350)	(102)	(452)	(429)	(23)	87	-	15	-	443	545	93
Brussels	(145)	0	(145)	(116)	(29)	-	-	17	-	120	137	(8)
Communications/Marketing	(461)	(306)	(767)	(767)	-	-	14	147	-	820	981	214
Movement in holiday accrual	-	2	2	1	1	-	-	(1)	-	(1)	(2)	-
	<u>(2,943)</u>	<u>(1,282)</u>	<u>(4,225)</u>	<u>(4,022)</u>	<u>(203)</u>	<u>376</u>	<u>250</u>	<u>195</u>	<u>-</u>	<u>4,147</u>	<u>4,968</u>	<u>743</u>
(C) Services to the Bar:	<u>(727)</u>	<u>(578)</u>	<u>(1,305)</u>	<u>-</u>	<u>(1,305)</u>	<u>715</u>	<u>-</u>	<u>749</u>	<u>-</u>	<u>-</u>	<u>1,464</u>	<u>159</u>
Bar Council (B) & (C)	<u>(3,670)</u>	<u>(1,860)</u>	<u>(5,530)</u>	<u>(4,022)</u>	<u>(1,508)</u>	<u>1,091</u>	<u>250</u>	<u>944</u>	<u>-</u>	<u>4,147</u>	<u>6,432</u>	<u>902</u>
Principal Activities	<u>(9,125)</u>	<u>(5,673)</u>	<u>(14,798)</u>	<u>(13,290)</u>	<u>(1,508)</u>	<u>2,688</u>	<u>250</u>	<u>944</u>	<u>-</u>	<u>13,462</u>	<u>17,344</u>	<u>2,546</u>
Subsidiary organisations	-	(61)	(61)	-	(61)	29	-	-	-	-	29	(32)
GCB Operating Activities	<u>(9,125)</u>	<u>(5,734)</u>	<u>(14,859)</u>	<u>(13,290)</u>	<u>(1,569)</u>	<u>2,717</u>	<u>250</u>	<u>944</u>	<u>-</u>	<u>13,462</u>	<u>17,373</u>	<u>2,514</u>
Non Operating Activities	<u>-</u>	<u>-</u>	<u>(1,378)</u>	<u>(1,378)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12</u>	<u>1,419</u>	<u>1,431</u>	<u>53</u>
Total as per Income Statement (before Tax)	<u>-</u>	<u>-</u>	<u>(16,237)</u>	<u>(14,668)</u>	<u>(1,569)</u>	<u>2,717</u>	<u>250</u>	<u>944</u>	<u>12</u>	<u>14,881</u>	<u>18,804</u>	<u>2,567</u>

** Other income includes £240k unrealised investment income losses.

Prior year comparative information can be found (In note 17) on page 39.

The General Council of the Bar
Financial Statements for the year to
31 March 2020

4. Analysis of income by division

	Bar Standards Board		Bar Council		Subtotal Operating Results		Non-Operating Results		Total GCB	
	2020 £000's	2019 £000's	2020 £000's	2019 £000's	2020 £000's	2019 £000's	2020 £000's	2019 £000's	2020 £000's	2019 £000's
Practising Certificate Fees	9,315	8,209	4,147	3,116	13,462	11,325	1,419	1,396	14,881	12,721
Inns Contributions	-	-	250	250	250	250	-	-	250	250
Bar Representation Fee Subscriptions	-	-	944	858	944	858	-	-	944	858
Fees, Charges & Services	1,597	1,565	1,120	1,209	2,717	2,774	-	-	2,717	2,774
Interest on Pension Assets	-	-	-	-	-	-	12	13	12	13
Total Income	10,912	9,774	6,461	5,433	17,373	15,207	1,431	1,409	18,804	16,616
Total Expenditure	9,268	9,939	5,591	5,401	14,859	15,340	1,138	791	15,997	16,131
Investment gains/ (losses)	-	-	-	-	-	-	(240)	93	(240)	93
Surplus/ (Loss) Before Taxation	1,644	(165)	870	32	2,514	(133)	53	711	2,567	578
<u>Analysis of Surplus by Source:</u>										
Permitted Purposes	1,644	(165)	547	(72)	2,191	(237)	53	711	2,244	474
Other	-	-	323	104	323	104	-	-	323	104

The General Council of the Bar
Financial Statements for the year to
31 March 2020

5 (a) Non-Operating Expenditure

	Year to 31/03/20 £000's	Year to 31/03/19 £000's
Payments:		
LSB Running Costs	349	315
OLC Running Costs	489	476
	-----	-----
Subtotal	838	791
Pension scheme net interest cost	12	-
Other Pension Costs	-	-
	-----	-----
	850	791
	=====	=====
Recorded as Operating Costs	-	-
Non-Operating Costs	850	791
	=====	=====

5 (b) Operating result

The Operating Result has been arrived at after charging:		Year to 31/03/20 £000's	Year to 31/03/19 £000's
Auditors' remuneration:			
Audit fees		39	33
Non-audit services:			
Accounts preparation		3	2
Taxation compliance		9	5
Depreciation		702	698
Operating lease property rentals		753	603

5 (c) Divisional expenditure

	Bar Standards Board		Bar Council		Resources Group		Total GCB	
	2020	2019	2020	2019	2020	2019	2020	2019
	£000's	£000's	-£000's	£000's	£000's	£000's	£000's	£000's
Direct Staffing	4,408	4,483	2,570	2,405	1,952	2,100	8,930	8,988
Other Direct Costs	1,047	1,094	1,100	1,000	3,751	4,246	5,898	6,340
Direct Costs	5,455	5,577	3,670	3,405	5,703	6,346	14,828	15,328
Overhead Allocation	3,841	4,347	1,862	1,999	(5,703)	(6,346)	-	-
Cost of Subsidiaries	-	-	61	40	-	-	61	40
Movement in Holiday Pay accrual	(28)	15	(2)	(43)	-	-	(30)	(28)
Divisional Operating Costs	9,268	9,939	5,591	5,401	-	-	14,859	15,340

The General Council of the Bar
Financial Statements for the year to
31 March 2020

Direct staff costs include salaries, wages and employment related costs (note 6).
The movement in holiday pay accrual is allocated between divisions according to headcount.
Resources Group costs are allocated to business areas where business specific costs arise
otherwise are apportioned according to average headcount.

6. Employment costs

	Year to 31/03/20 £000's	Year to 31/03/19 £000's
Salaries	6,862	6,839
National Insurance	741	746
DC Pension Contribution	649	565
DB Pension Contribution	1,000	1,000
Other Staff Costs, Temporary Staff & Recruitment	481	523
Termination payments	-	71
	9,733	9,744
	9,733	9,744

During the year the Bar Council contributed £1m (2018/19: £1m) to the Defined Benefit Pension Scheme. This is included in the Income Statement.

Office Holders & Key Management Personnel

Number of Key Management Personnel by total remuneration

	2020				2019			
	RGP	Bar Council	BSB	Total	RGP	Bar Council	BSB	Total
Total Remuneration level								
£160,000 or greater	-	2	1	3	-	2	1	3
£140,000-£159,000	-	1	-	1	-	-	-	-
£120,000-£139,000	-	-	-	-	-	1	-	1
£100,000-£119,999	2	2	2	6	1	1	-	2
£80,000-£99,999	1	1	3	5	2	3	5	10
Less than £80,000	-	1	1	2	-	-	1	1
	311	891	731	1,933	304	875	698	1,877
Total Remuneration of Key Management Personnel								
(£000's)								

The General Council of the Bar
Financial Statements for the year to
31 March 2020

6. Employment costs (continued)

The Chair of the Bar was paid £202,754 (2018/19: £182,474) and the Chair of BSB was paid £90,650 pro rata (2018/19: £91,300).

The Vice-Chair of the Bar was paid £145,902 (2018/19: £98,804). The Vice-Chair of the BSB received £40,307 (2018/19: £39,522).

The Treasurer received £nil remuneration in the year (2018/19: £nil).

The Chair of the Young Bar Committee was paid £20,000 (2018/19: £20,000). No other Bar Council member received remuneration in the year and all gave their time freely.

Total remuneration includes salaries, allowances and employer pension contributions.

The GCB considers the Officers, Executive and senior management teams of the Bar Council and BSB to comprise the Key Management Personnel as they are in charge of directing and controlling, running and operating their respective organisations on a day to day basis.

The pay of all staff, Officers and Key Management Personnel above are reviewed annually and is increased subject to performance related appraisals and regard to changes in average earnings and affordability. The joint Emoluments Committee reviews, benchmarks and approves the pay of all key management personnel benchmark and staff.

Details of related party transactions are disclosed in note 7 below.

7. Related party transactions

The General Council of the Bar appoints the Trustees of the Pension and Life Assurance Fund, the Bar Council Scholarship Trust and the Directors of Bar Council Properties Limited and the Bar Services Company Limited. The Bar Council has borne administration expenses for these five bodies of £5,075 (2019 - £122,492).

The General Council of the Bar is the sole shareholder in the Bar Services Company Limited and the Bar Council Properties Limited. The Chief Executive of the Bar Council holds the one share in issue from each company on trust on behalf of the Council.

The General Council of the Bar and the Law Society are the sole members of Queen's Counsel Appointments ("QCA"). The Chief Executive of the Bar Council and the Chief Executive of the Law Society have been appointed as Directors of QCA.

The General Council of the Bar provides accounting and secretarial services to QCA at a charge of £7,000, plus VAT per annum. In addition, both of the members of QCA received a management fee in 2020 of £25,000 plus VAT (2018/19: £25,000 plus VAT).

Queens Counsel Appointments Limited made a grant to The General Council of the Bar amounting to £75,000 (2018/2019: NIL).

Information on the honorarium paid to the Chairman of the Bar is shown in Note 7. Expenses paid in respect of members of the Bar Council, including the Chairman, when acting on the Bar Council's business totalled £27,237 (2018/19: £6,315).

The General Council of the Bar
Financial Statements for the year to
31 March 2020

8. Allocation of General Reserves

	Permitted purpose £000's	*Legal challenges £000's	Other General Reserves £000's	Total General Reserves £000's
Balance at 1 April 2018	(584)	160	3,975	3,551
Surplus	454	-	104	558
Transfer to Pension Reserve	(1,000)	-	-	(1,000)
Transfer to Legal Challenges Reserve	(202)	202	-	-
Transfer for legal costs	110	(110)	-	-
	-----	-----	-----	-----
Balance 31 March 2019	(1,222)	252	4,079	3,109
Surplus	2,429	-	218	2,647
Transfer to Pension Reserve	(1,000)	-	-	(1,000)
Transfer to Legal Challenges Reserve	(100)	100	-	-
Transfer for legal costs	78	(78)	-	-
	-----	-----	-----	-----
Balance 31 March 2020	185	274	4,297	4,756
	=====	=====	=====	=====

*Legal Challenges is a designated Permitted Purpose reserve created to hold and provide visibility of the costs of BSB defending against legal challenges following the cessation of uneconomic third-party insurance cover in 2019.

9. Property, plant and equipment

GCB/Group	Leasehold Improvement	Office Furniture	IT Equipment	Database & Software	Total
	£000's	£000's	£000's	£000's	£000's
Cost					
Balance: 1 April 2019	424	408	738	3,827	5,397
Additions	2,136	42	133	517	2,828
Disposals	-	-	-	-	-
	-----	-----	-----	-----	-----
Balance: 31 March 2020	2,560	450	871	4,344	8,225
	=====	=====	=====	=====	=====
Depreciation					
Balance: 1 April 2019	423	406	618	1,794	3,241
Charge for the year	3	5	103	552	663
Disposals	-	-	-	-	-
	-----	-----	-----	-----	-----
Balance: 31 March 2020	426	411	721	2,346	3,904
	=====	=====	=====	=====	=====
Net Book Value					
At 31 March 2020	2,134	39	150	1,998	4,321
	=====	=====	=====	=====	=====
At 31 March 2019	2	2	120	2,033	2,157
	=====	=====	=====	=====	=====

The General Council of the Bar
Financial Statements for the year to
31 March 2020

9. Property, plant and equipment (continued)

The Group fixed asset values differ to the Parent by £1k due to Property, plant and equipment held by Subsidiary undertakings. Included within the Net Book Value are assets under construction amounting to £17k (2018/19: £177k).

10. Subsidiaries & associated bodies

The group accounts consolidate the accounts of the General Council of the Bar and two subsidiary companies together with the charity under the Council's control.

GCB Subsidiary Investments	Statement of Financial Position		
Company	Loan £'s	Shares £'s	£000's
Bar Council Properties Ltd	-	1	-
Bar Services Company Ltd	-	1	-
The Bar Direct Access Portal Ltd	21,000	4	-

			-
			=====

GCB Subsidiaries – Movements in Investments

	Bar Services Company Ltd	The Bar Direct Access Portal Ltd
	£	£
Investment b/f	1	21,000
Change in Investment	-	-
	-----	-----
Investment c/f	1	21,000
	=====	=====

Bar Council Properties Limited

This company is dormant and has undertaken no transactions since its incorporation. It acts as nominee for the Bar Council and holds the leases of the various floors occupied at Celcon House, 289-293 High Holborn, London. The company's Balance Sheet is not material and so is not included within these accounts.

The General Council of the Bar
Financial Statements for the year to
31 March 2020

10. Subsidiaries & associated bodies (continued)

Bar Services Company Limited

Bar Services Company Ltd is the vehicle by which the Bar Council provides an escrow facility to barristers, trading as BARCO. This vehicle was set up for commercial and FCA regulatory administrative convenience. However, BARCO's expenditure is fully integrated into Bar Council's own operations and the operating costs are partly subsidised by Bar Council using non-PCF funding. Only a portion of those total operating costs are allocated to the limited company to show a small margin, as set out in a management agreement between Bar Council and Bar Services Company Ltd. The Bar Services Company Limited ceased trading in April 2020.

Bar Council Scholarship Trust

The General Council of the Bar appoints the Trustees of the charity, The Bar Council Scholarship Trust (BCST). BCST provides funding to young men and women seeking to become practising members of the Bar in England and Wales. At 31 March 2020, the net assets of the Trust stood at £693,857 (2018/19: £783,565).

Direct Access Portal

Bar Direct Access Portal Ltd operates a public listing of barristers to enable members of the public to search for barristers directly. During May 2020 the General Council of the Bar acquired the remaining 50% shareholding in the Direct Access Portal. From May 2020 the Direct Access Portal is 100% owned by the General Council of the Bar.

The results of the subsidiaries for the year ending 31 March 2020 are as follows:

	Bar Services Company Limited		Bar Scholarship Trust		Direct Access Portal Limited	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Income statement						
Income	2	37	24	24	-	-
Expenditure	(21)	(17)	(29)	(24)	(15)	(7)
Forgiveness of loan from parent	-	-	-	-	-	-
Net result for the year	(19)	20	(5)	-	(15)	(7)
Balance Sheet						
Fixed Assets	-	-	-	-	-	4
Investments	-	-	653	732	-	-
Net current assets/ (liabilities)	29	48	47	52	(56)	(45)
Net assets	29	48	694	784	(56)	(41)

The General Council of the Bar
Financial Statements for the year to
31 March 2020

11. Listed investments

	Parent		Group	
	2020	2019	2020	2019
	£000's	£000's	£000's	£000's
Market Value				
Balance: 1 April	1,440	1,393	2,161	2,114
Additions at cost	447	398	637	511
Disposal proceeds	(437)	(420)	(626)	(546)
Net gains/(losses)	(157)	69	(240)	93
	-----	-----	-----	-----
Balance: 31 March 2020	1,293	1,440	1,932	2,172
	=====	=====	=====	=====
Analysis: Investments	1,257	1,387	1,882	2,088
Cash	36	53	50	84
	=====	=====	=====	=====
Historical Cost	1,450	1,371	2,186	2,079

The investments held comprise units in a number of Cazenove Capital Management Limited investment funds, and some direct holdings of UK Government Bonds.

12. Debtors & prepayments

	Parent		Group	
	2020	2019	2020	2019
	£000's	£000's	£000's	£000's
Trade Debtors	2,228	2,299	2,228	2,299
Accrued Income	61	104	61	104
Prepayments	684	831	688	831
Other Debtors	97	83	463	30
	-----	-----	-----	-----
	3,070	3,317	3,440	3,264
	=====	=====	=====	=====

The amount of trade debtors is stated net after deducting a bad debt provision of £133,444 (2018/19: £127,050).

The General Council of the Bar
Financial Statements for the year to
31 March 2020

13. Creditors: due within one year

	Parent		Group	
	2020	2019	2020	2019
	£000's	£000's	£000's	£000's
Deferred Income: PCF	5,983	12,775	5,983	12,775
BRF	447	704	447	704
	-----	-----	-----	-----
Deferred Income	6,430	13,479	6,430	13,479
	=====	=====	=====	=====
PCF funded pension contribution	2,200	1,900	2,200	1,900
	=====	=====	=====	=====
Trade Creditors	158	535	156	535
Accruals	621	969	646	975
Other taxes & social security	256	247	255	247
Sundry Creditors	811	546	832	567
	-----	-----	-----	-----
Other Creditors	1,846	2,297	1,889	2,324
	=====	=====	=====	=====
Total creditors	10,476	17,676	10,519	17,703
	=====	=====	=====	=====

The PCF funded pension contribution represents that element of PCF collected in the 2019 fees collection process to be allocated to fund the DB pension scheme recovery plan contributions from April 2019.

13 a) Deferred income and Non-Operating Income	LSB/OLC Levy		Pension Scheme Contribution		Total	
	Year to 31/03/20	Year to 31/03/19	Year to 31/03/20	Year to 31/03/19	Year to 31/03/20	Year to 31/03/19
	£000's	£000's	£000's	£000's	£000's	£000's
Balance at the 1st April	-	-	1,900	1,600	1,900	1,600
Amounts Collected in year	419	396	1,300	1,300	1,719	1,696
Recognised in Non-Operating Income	(419)	(396)	(1,000)	(1,000)	(1,419)	(1,396)
	-----	-----	-----	-----	-----	-----
Balance at the 31st March	-	-	2,200	1,900	2,200	1,900
	-----	-----	-----	-----	-----	-----

An historical mismatch between the recognition of PCF income in respect of LSB costs has been identified during the year and changes are being made to bring the treatment of PCF income into line with the LSB costs over a two-year period.

The General Council of the Bar
Financial Statements for the year to
31 March 2020

14. Commitments

(a) As at 31 March 2020, the Bar Council had non-cancellable commitments for operating leases as follows:

	Land & Buildings	
	2020	2019
	£000's	£000's
Expiring: Within 1 year	579	-
Expiring: Within 2-4 years	1,157	-
Expiring: >4years	3,471	-
	-----	-----

The gross property rental charge for the period was £753,333 (2018/19: £603,000).

The commitments reflect the rental lease to the first break-point of the lease agreement to March 2030.

(b) As at 31 March 2020, the Bar Council had capital commitments of £Nil (2018/19: £Nil).

The General Council of the Bar
Financial Statements for the year to
31 March 2020

15. Defined Benefit Pension Scheme

The General Council of the Bar (“Employer”) operates a final salary defined benefit pension plan through The General Council of the Bar Pension and Life Assurance Fund (the “Fund”). The Fund closed to new members in July 2006 and closed to accrual for current service on 28 February 2013. The Employer now only offers pension provision to members of staff through a defined contribution (stakeholder) arrangement.

The Employer and the Fund’s Trustees agreed a deficit reduction plan following the actuarial valuation as at 30 September 2018. The Employer paid contributions of £1.0 million in April 2019, and agreed to make further payments of £1.15 million each April from 2020 until 2023 and £330,000 in April 2024. The Employer paid the 2019/20 contributions of £1.0 million to the defined benefit pension fund in April 2019. Contributions to the Fund for the year beginning 1 April 2020 are expected to be £1.15 million.

A full actuarial valuation of the defined benefit scheme was carried out as at 30 September 2018, and has been updated to 31 March 2020 by a qualified independent actuary.

This disclosure shows the Fund to have a surplus at 31 March 2020 of £2,477k (31 March 2019: £1,626k surplus). This increase in the surplus is primarily due to:

- The Employer paid a deficit reduction contribution of £1m to the scheme during the year.
- The actual return on assets has been higher than expected over the year (and has been greater than the interest income).

These positive factors have been partially offset by an decrease in the discount rate used to place a present value on the Fund's future liabilities.

(a) Assumptions:

The major financial assumptions used by the actuary were:

	2020	2019
Rates per annum:	%	%
Inflation (CPI)	1.50	2.15
Salary increases	N/A	N/A
Discount Rate	2.30	2.40
Pension in payment increases (CPI, max 5%, Min 3%)	3.05	3.10
Proportion of employees opting for early retirement		
Revaluation rate for deferred pensions	5.00	5.00

The General Council of the Bar
Financial Statements for the year to
31 March 2020

15. Defined Benefit Pension Scheme (continued)

(a) Assumptions (continued):

The mortality assumptions adopted imply the following life expectancies:

	2020	2019
Male retiring at age 65 today	22.0	22.0
Female retiring at age 65 today	24.3	24.2
Male retiring at age 65 in 20 years	23.0	23.2
Female retiring at age 65 in 20 years	25.5	25.4

Pre-retirement mortality rates

The following rates represent the probability of a person aged x exactly dying within one year.

Age x	Male	Female
- 30	0.0006	0.0003
- 40	0.0010	0.0007
- 50	0.0022	0.0015
- 60	0.0043	0.0031

(b) The amounts recognised in the Balance Sheet are as follows:

	2020	2019
	£000's	£000's
Fair value of scheme assets: see (e) below	29,021	27,108
Present value of scheme liabilities: see (d) below	(26,544)	(25,482)
	-----	-----
Surplus in scheme	2,477	1,626
	-----	-----
Asset to be recognised	-	-
	-----	-----

The General Council of the Bar
Financial Statements for the year to
31 March 2020

15. Defined Benefit Pension Scheme
(continued)

(c) The amounts recognised in the Income & Expenditure Statement are as follows:

	2020	2019
	£000's	£000's
Income		
Interest Income	(661)	(632)
	=====	=====
Expenditure		
Interest Cost	610	615
	-----	-----
Total recognised in Consolidated Income Statement	(51)	(17)
	=====	=====
Actual return/(loss) on scheme assets	1,107	1,378

Administration expenses of £Nil (2018/19: £Nil) were paid from scheme assets during the accounting period to 31 March 2020.

(d) Amounts reported under the Statement of Other Comprehensive income are as follows:

	2020	2019
	£000's	£000's
Return on Scheme Assets excluding amounts included in interest expense/income	446	746
Re-measurement gains/(losses) on the defined benefit obligation - experience	5	(77)
Re-measurement gains/(losses) on the defined benefit obligation – changes in assumptions	(651)	(218)
Surplus Withheld – no cash benefit arising from reduction in or return of contributions	(812)	(1,464)
	-----	-----
Re-measurement gains/(losses) recognised in other comprehensive income	(1,012)	(1,013)
	=====	=====

The General Council of the Bar
Financial Statements for the year to
31 March 2020

15. Defined Benefit Pension Scheme (continued)

(e) Change in the present value of the defined obligation in the period are as follows:

	2020	2019
	£000's	£000's
Scheme Liabilities: 1 April	25,482	24,645
Interest expense	610	615
Actuarial (gain)/loss	646	295
Benefits paid & Life Assurance Premium	(194)	(73)
	-----	-----
Scheme Liabilities: 31 March	26,544	25,482
	=====	=====

FRS 102 states that the reconciliation of changes in the present value of the defined benefit obligation need not be presented for prior periods.

(f)	2020	2019
	£000's	£000's
Scheme Assets: 1 April	27,108	24,803
Interest Income	661	632
Return on Scheme assets excluding amounts included under interest expense/income	446	746
Employer Contributions	1,000	1,000
Administration fee paid from Scheme assets	-	-
Benefits paid & Life Assurance Premium	(194)	(73)
	-----	-----
Scheme Assets: 31 March	29,021	27,108
	=====	=====

FRS 102 states that the reconciliation of changes in the present value of the defined benefit obligation need not be presented for prior periods.

The General Council of the Bar
Financial Statements for the year to
31 March 2020

15. Defined Benefit Pension Scheme (continued)

(g) The major categories of the scheme's assets as a percentage of the total scheme assets are:

	2020	2019
	%	%
Equities	10.2	10.7
Bonds	85.0	86.2
Cash	4.8	3.1
With Profits Fund	0.0	0.0
	-----	-----
Total Assets	100.0	100.0
	-----	-----

16. Taxation

No provision for Corporation Tax has been made in these accounts. Taxable income arising within the Bar Council is offset by tax-deductible expenditure and Gift Aid payment to charities.

The Bar Council Scholarship Trust is a registered charity and all its income is exempt from tax under ss. 521-536 ITA 2007.

The General Council of the Bar
Financial Statements for the year to
31 March 2020

Note 17: PRIOR YEAR Expenditure Analysis and Statement under s.51 Legal Services Act 2007

Expenditure/Costs:	2018/19 Spend			Analysis of Spend		Funded By					Total Income £000	Surplus / (Deficit) £000
	Direct Spend £000	Allocated Costs £000	Total Spend £000	Permitted Purposes £000	Other Purpose £000	Direct Income £000	Inns Cont'n £000	BRF £000	Other £000	PCF (P.P. only) £000		
(A) Regulation (BSB)												
Regulatory Assurance	(2,053)	(1,427)	(3,480)	(3,480)	-	1,544	-	-	-	1,885	3,429	(51)
Professional Conduct	(1,972)	(1,677)	(3,649)	(3,649)	-	21	-	-	-	3,563	3,584	(65)
Strategy & Policy	(1,117)	(940)	(2,057)	(2,057)	-	-	-	-	-	2,012	2,012	(45)
Comms and Public Engagement	(436)	(302)	(738)	(738)	-	-	-	-	-	734	734	(4)
Movement in holiday accrual	-	(15)	(15)	(15)	-	-	-	-	-	15	15	-
	<u>(5,578)</u>	<u>(4,361)</u>	<u>(9,939)</u>	<u>(9,939)</u>	<u>-</u>	<u>1,565</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,209</u>	<u>9,774</u>	<u>(165)</u>
(B) Representation (BC)												
Approved Regulator: Corp.	(858)	(351)	(1,209)	(1,088)	(121)	338	-	-	-	888	1,226	17
Donations:	(244)	-	(244)	(244)	-	-	-	-	-	244	244	-
Representation & Policy:												
Legal Affairs, Practice, Ethics	(234)	(167)	(401)	(381)	(20)	51	-	17	-	321	389	(12)
Law Reform & Regulatory Issues	(149)	(168)	(317)	(317)	-	4	-	-	-	301	305	(12)
E&D	(214)	(137)	(351)	(351)	-	72	236	-	-	33	341	(10)
Remuneration & Employed Bar	(234)	(168)	(402)	(382)	(20)	40	-	15	-	333	388	(14)
International	(324)	(126)	(450)	(360)	(90)	93	-	17	-	328	438	(12)
Brussels	(120)	-	(120)	(120)	-	-	-	-	-	120	120	-
Communications	(430)	(336)	(766)	(575)	(191)	-	14	147	-	576	737	(29)
Movement in holiday accrual	-	42	42	28	14	-	-	(14)	-	(28)	(42)	-
	<u>(2,807)</u>	<u>(1,411)</u>	<u>(4,218)</u>	<u>(3,790)</u>	<u>(428)</u>	<u>598</u>	<u>250</u>	<u>182</u>	<u>-</u>	<u>3,116</u>	<u>4,146</u>	<u>(72)</u>
(C) Services to the Bar:	<u>(597)</u>	<u>(546)</u>	<u>(1,143)</u>	<u>-</u>	<u>(1,143)</u>	<u>559</u>	<u>-</u>	<u>676</u>	<u>-</u>	<u>-</u>	<u>1,235</u>	<u>92</u>
Bar Council (B) & (C)	<u>(3,404)</u>	<u>(1,957)</u>	<u>(5,361)</u>	<u>(3,790)</u>	<u>(1,571)</u>	<u>1,157</u>	<u>250</u>	<u>858</u>	<u>-</u>	<u>3,116</u>	<u>5,381</u>	<u>20</u>
Principal Activities	<u>(8,982)</u>	<u>(6,318)</u>	<u>(15,300)</u>	<u>(13,729)</u>	<u>(1,571)</u>	<u>2,722</u>	<u>250</u>	<u>858</u>	<u>-</u>	<u>11,325</u>	<u>15,155</u>	<u>(145)</u>
Subsidiary organisations	-	(40)	(40)	-	(40)	52	-	-	-	-	52	12
GCB Operating Activities	<u>(8,982)</u>	<u>(6,358)</u>	<u>(15,340)</u>	<u>(13,729)</u>	<u>(1,611)</u>	<u>2,774</u>	<u>250</u>	<u>858</u>	<u>-</u>	<u>11,325</u>	<u>15,207</u>	<u>(133)</u>
Non Operating Activities	<u>-</u>	<u>-</u>	<u>(791)</u>	<u>(791)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>106</u>	<u>1,396</u>	<u>1,502</u>	<u>711</u>
Total as per Income Statement (before Tax)	<u>-</u>	<u>-</u>	<u>(16,131)</u>	<u>(14,520)</u>	<u>(1,611)</u>	<u>2,774</u>	<u>250</u>	<u>858</u>	<u>106</u>	<u>12,721</u>	<u>16,709</u>	<u>578</u>

** Other income includes £93k unrealised investment income gains.

The General Council of the Bar
Financial Statements for the year to
31 March 2020

Officers and Professional Advisers

The Bar Council

Officers

Chair:	}from January 2020	Amanda Pinto QC
Vice Chair:	}from January 2020	Derek Sweeting QC
Treasurer:		Grant Warnsby

Chair:	}to December 2019	Richard Atkins QC
Vice Chair:	}to December 2019	Amanda Pinto QC

Chief Executive		Malcolm Cree CBE
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Bar Standards Board

Chair:		Baroness Tessa Blackstone
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Vice Chair:		Naomi Ellenbogen QC
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Director-General	}from February 2020	Mark Neale
Director-General	}to February 2020	Dr Vanessa Davies

Corporate Advisors

Auditors

Haysmacintyre LLP
10 Queen Street Place,
London EC4R 1AG

Bankers

Child & Co.,
The Royal Bank of Scotland Group
1 Fleet Street,
London EC4Y 1BD

**Investment Portfolio
Manager**

Schroders & Co Ltd (trading as
Cazenove Capital Management
Limited)
12 Moorgate,
London EC2R 6DA