



The Bar Council



REGULATING BARRISTERS

The General Council of the Bar

Financial Statements for the year to 31 March 2022

The General Council of the Bar
Financial Statements for the year to
31 March 2022

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Treasurer's Report

This year the General Council of the Bar (**GCB**) delivered a surplus in excess of its budget. This was largely due to a combination of the following non-recurrent factors:

- Additional Bar Standards Board (**BSB**) regulatory income: this has arisen as a result of there being more students than anticipated due to the effects of Covid. The charge to Authorised Educational Training Establishments is being decreased in the coming year which will reduce the chance of this occurring in future years.
- One-off savings due to cancelled events: these savings in the Bar Council were due to events being cancelled because of Covid.
- Savings in BSB exam costs due to work being carried out in-house or deferred to later years. These savings are not expected to be repeated in future years.

As a consequence of the above factors, the GCB's reserves are in a stronger and more resilient position than would otherwise have been the case. This is good news because the GCB will face some significant challenges in the coming year, particularly:

- Inflation and the Cost of Living crisis together with the prospect of an economic downturn - the economic uncertainty due to the after effects of the pandemic, war in the Ukraine and Brexit has led to it being increasingly difficult to recruit and retain staff. We have to balance the need to keep the PCF charge to a minimum against the need to have high quality and productive staff.
- The high level of inflation means that inevitably there will have to be an increase to the PCF fee to track inflation (though we will do our best to keep this to a minimum) even before any new cost pressures are taken into account.

The Defined Benefit Pension scheme (**DB Pension Scheme**) triennial valuation took place on 30 September 2021 and we have until 30 December 2022 to agree the fund valuation. These negotiations are ongoing and represent challenges and opportunities for the GCB.

The current economic uncertainty reinforces the need to keep a strong focus on the GCB's cost structure. We need to look with renewed vigour at actions which can deliver cost efficiencies and deliver value for money wherever possible within the organisation.

In April 2022 the GCB suffered a cyber-attack. This required all systems to be moved offline while IT staff and security consultants worked to identify and remediate vulnerabilities and ensure that there was no loss of data. Upon securing the vulnerability, significant remediation work took place to ensure key systems were operational and mitigating controls were put in place to reduce the risk of further attacks. As well as the internal disruption the attack led to "MyBar" and the Authorisation to Practise system being taken offline. This consequently led to an extension of the PCF renewal deadline to the end of July 2022.

To help our members and other stakeholders gain a better understanding of the GCB's 2022 financial performance, I would like to highlight the following items:

- Reserves - total general reserves remain positive at £9,852; the "permitted purposes" reserves are positive at £3,744k. The reserves figure should not be considered in isolation. Although we continue to increase our reserves, the free cash reserves (the readily "convertible to cash" amount) for the GCB parent is £4,151k as at 31 March 2022. This reflects the available amount of free cash required to sustain the organisation.

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- Pension – The accounts show the DB Pension Scheme is in surplus. However, the actuarial report as at 30 September 2021 shows a deficit. This is due to the different basis of the valuation between the accounts under FRS 102 and the actuarial valuation under the triennial reports.
- Cash – the cash position must continue to be carefully monitored and managed.
- Revenue – total revenue has decreased against the prior year by £584k. Most of this decrease is due to PCF collected from the March 2021 collection (covering the income received in 2020). This is the period when the effects of Covid on the income of barristers was most apparent.
- Lastly, we are making good progress delivering against the five-year strategic plan.

I would like to take this opportunity to thank the excellent team at the GCB. Their support, dedication and professionalism enabled the GCB to swiftly implement its business continuity plan and continue to deliver against its objectives during these exceptional and extremely challenging times.

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 Council Scholarship Trust (BCST): a charitable trust included because GCB appoints the Trustees;
- The Barristers' Foundation (BF): a company limited by guarantee not having share capital is included because GCB appoints the Directors';
- The Bar Direct Access Portal Limited (BDAP): 100% owned by GCB, 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.

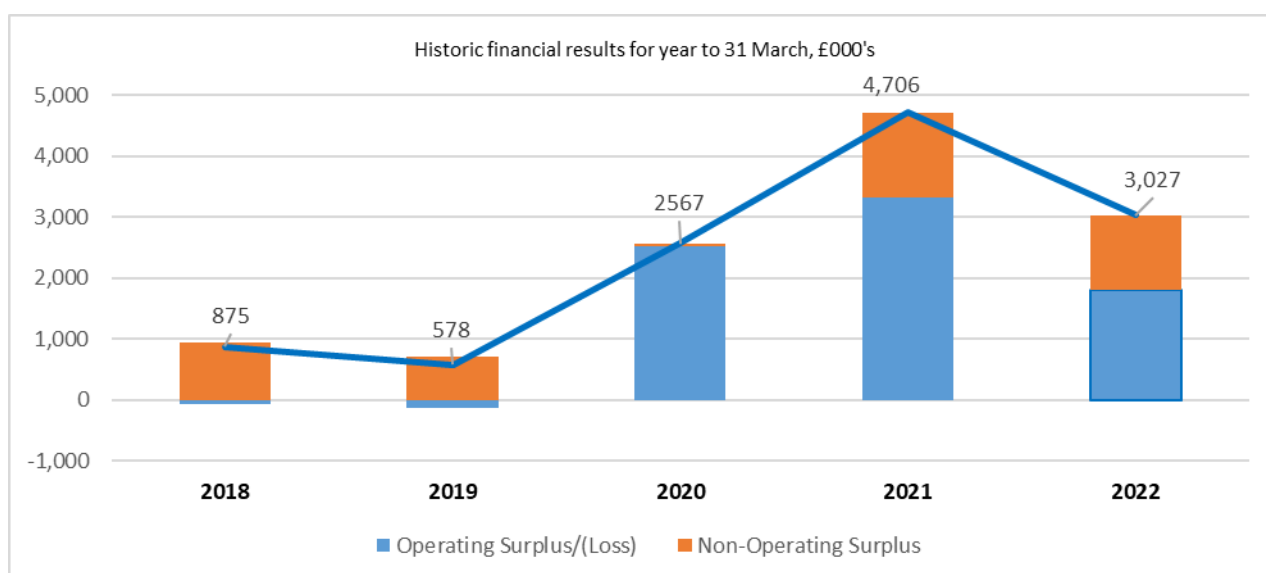
Each component part above has its own sources of income and expenditure but the BC and BSB share the compulsory practising certificate fee (PCF) and supporting overheads. These financial statements distinguish between BC and BSB operations to provide clarity on the application of income and the use of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

Financial Review

Overall income reduced by £584k to £20.7m from £21.2m in 2021/22. Total costs increased £1,095k to £17.6m (2020/2021: £16.5m). A total surplus of £3,027k was achieved before taxation, down £1,679k against the prior year's surplus of £4,706k.

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Historic financial results for year to 31 March, £000's					
	2018	2019	2020	2021	2022
- Bar Council	(20)	32	1,644	1,150	891
- Bar Standards Board	(44)	(165)	870	2,158	918
Operating Surplus/(Loss)	(64)	(133)	2,514	3,308	1,809
Non-Operating Surplus	939	711	53	1,398	1,218
Total Surplus/(Loss) before Taxation	875	578	2,567	4,706	3,027

The operating activities are those day-to-day activities of the Bar Council and BSB. Operating costs were £1.1m higher at £16.6m (2020/21: £15.5m). Staffing costs increased £1,249k due to an increase in FTE's and recruitment costs resulting mainly from the BSB accelerated recruitment drive. Non-staffing costs increased by £687k due to one-off savings during the previous year. Combined with the increased operating costs was the £406k decrease in income from lower PCF collections contributing to the operating surplus of £3,027k before taxation (2020/21: surplus of £4,706k).

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 £1,218k was achieved (2020/21: £1,398k non-operating surplus) including the annual payment of £1,150k towards the defined benefit pension scheme under the agreed recovery plan.

Most income derives from PCF. In 2021/22 £15.3m of PCF was applied to fund the organisation, a decrease of £0.4m on the previous year (2020/21: £15.7m).

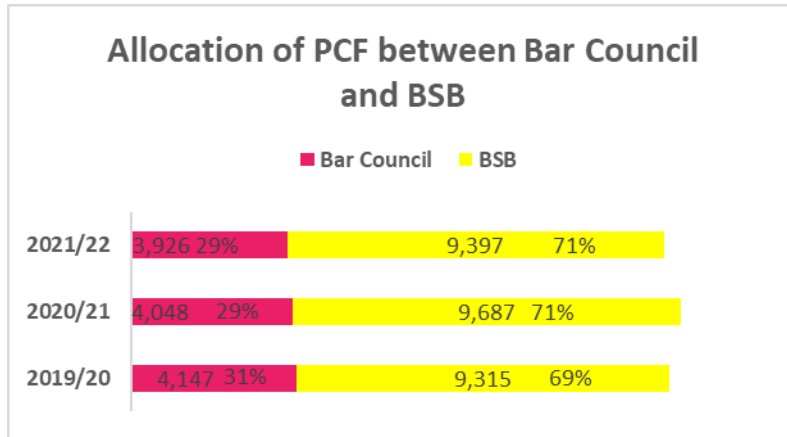
£1.15m of PCF revenue was attributed to the pension scheme recovery plan (2020/21: £1.15m). The contribution being met from a ringfenced £1.3m annual contribution to

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reserves. The GCB's share of the operating costs of the Legal Services Board and the legal ombudsman in 2021/22 was £868k (2020/21: £862k).

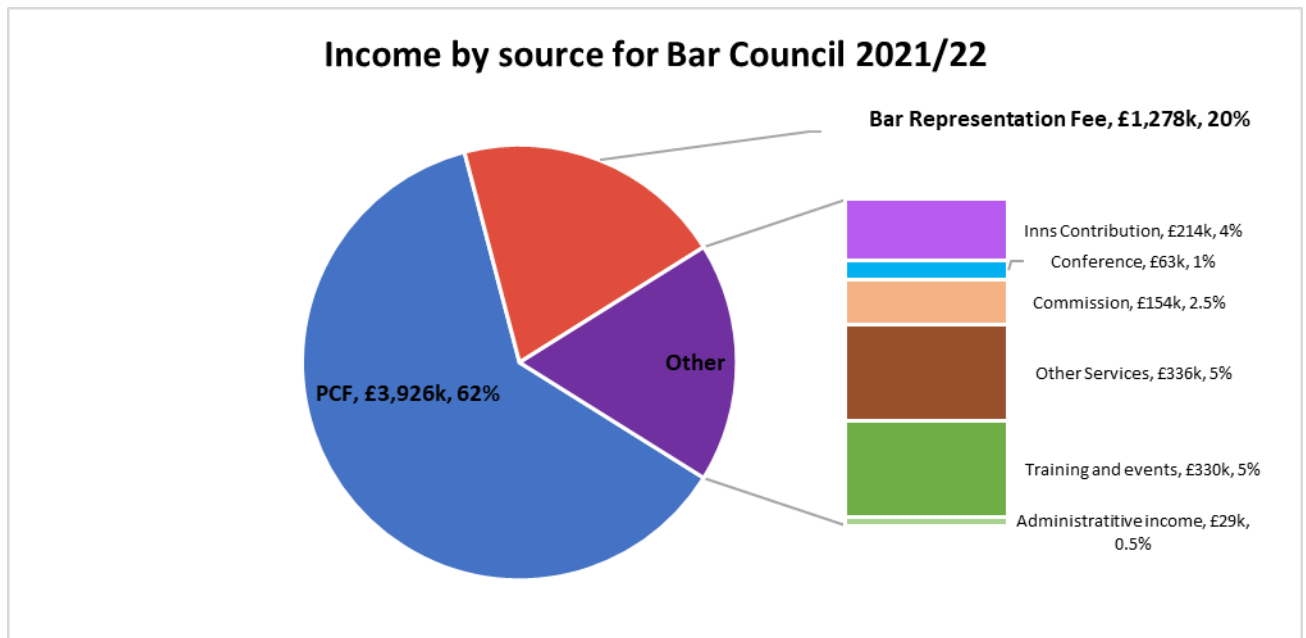
The PCF income is shared between Bar Council and BSB to cover the cost of permitted purposes activities only and after other income is considered.



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. 62% of the Bar Council's income is drawn from PCF (2020/21: 62%).

Total income decreased 2%, £154k, to £6,330k (2020/21: £6,484k). Income from services to the bar rose by 22%, £1,878k v £1,535k; a £214k contribution from the Inns of Court was received towards wellbeing and educational activities.



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Expenditure increased 1.9%, £104k to £5,438k (2020/21: £5,334k). Non-recurring savings due to cancelled events during the previous financial year did not occur to the same frequency during the 2021/22 period.

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 down 2%, £255k to £12,094k (2020/21: £12,349k). Most of this was due to the £290k decrease in revenue from practising fee income. No income was received from government grants for furloughed staff during 2021/22 (2020/21: £25K). Regulatory income increased by £59k.

Expenditure increased 10%, £985k to £11,176k (2020/21: £10,191k): staffing costs were £867k greater, £5,352k (2020/21: £4,485k) due to an accelerated recruitment drive and a review of employment status (£300k employment provision). Non-staff costs increased £208k, largely attributable to legal representation costs. The remaining increase arose from the proportional share of Resources Group costs of £411k while being partially met by the movement in the holiday pay accrual of £434k with increased efforts to reduce staff leave balances.

Resources Group

The Resources Group includes the back-office functions of: Human Resources, Finance, Information Services, Office Services, the 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 increased 10%, £578k, to £6,130k (2020/21: £5,552k) due to increased bank charges, backdated service charges, portfolio management fees, and other inflationary increases.

Assets, Liabilities and Reserves.

Net assets increased to £10,704k (2020/21: £8,971k) driven primarily by timing of cash collection due to an increase in Chambers and Barristers paying their Practising Certificate Fee in full before 31 March 2022.

Fixed Assets decreased by £143k to £6,481k (2020/21: £6,624k). This is largely attributable to capital works being deferred to later periods. This decrease in property, plant, and equipment has been partially met by the change in fair value of investments.

Debtors and prepayments decreased by £172k to £3,910k (2020/21: £4,082k) due to the timing differences in issuing invoices and cash received at year-end.

Cash levels increased to £27.6m (2020/21: £23.3m). The increase in number of Barristers and Chambers paying their Practising Certificate Fee in full before 31 March 2022 has results in a higher cash balance.

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Short-term creditors increased £3,188k to £23,260k (2020/21: £20,072k). This is due to timing differences in payment of creditors and the increase in Chambers' and Barristers' who had completed ATP at 31 March 2022 and a portion of the CBILS bank loan becoming repayable within 12 months.

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 (2020/21: £nil).

The investment gains for the year were £204k (2020/21: £386k gain). This increase is attributable to market conditions which has resulted in the value of the portfolio increasing.

The Long-Term Liability recognises the debt raised through the Coronavirus Business Interruption Loan Scheme of £4m (2020/21: £5m) that is repayable in more than 12 months. Repayments of this loan will commence in 2022/23. £957k of the loan is repayable within the next 12 months.

Reserves

General reserves increased to £9.9m (2020/21 £8.2m). £104k 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 (2020/21: £nil) in line with the FRS102 valuation outcome

Going Concern

The Council believe there are no material uncertainties that call into doubt the Group and GCB's ability to continue as a going concern.

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Statement of Key Risks

The 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 the 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 2021/22, the management team consider that the following risks should be noted:

Key Risk	Mitigating actions
Increasing Inflation	<p>Inflation has significantly increased and is on an upward trajectory. It has been driven by the actions to mitigate the economic effects of the Covid pandemic. This has been compounded by the war in Ukraine and the ongoing effects of Brexit.</p> <p>The effects of increasing inflation are being felt in non-staff costs, heating lighting and services etc. Though the greater challenge is the effect of inflation on staff costs. The pent-up demand from the Covid years together with the effects of Brexit have led to an extremely tight employment market, and consequent wage inflation. This has meant that it is increasingly difficult for the Bar Council and BSB to acquire and retain staff. The Bar Council and BSB are examining ways to retain staff through a review of the benefits package. It is also benchmarking its pay against industry norms and where there are gaps considering if any mitigating actions need to be taken.</p>
Government policy to consult on changes to regulatory arrangements potentially threaten the Bar Council's status as the	The Bar Council has examined potential scenarios and actively seeks alternative funding options as part of its strategic plan.

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Key Risk	Mitigating actions
Approved Regulator and its main funding source of PCF.	The Bar Council considers this risk to be receding only in the very short term as Government and Parliament address the cost of living crisis and the appointment of a new Prime Minister.
A failure of cyber and information security safeguards leading to accidental or malicious security breaches.	<p>In light of the recent cyber-attack. A number of independent reviews are underway. While awaiting the outcome of these reviews additional cyber training has been put in place for all staff.</p> <p>The reviews will make recommendations for improvements in the Autumn of 2022. In conjunction with these reviews the Business Continuity plans are being revised to take account of the lessons learned from the attack. The aim is to improve business resilience and accelerate the recovery time from any future attacks.</p> <p>This programme is monitored by the Chief Information Officer with regular oversight by the senior management and Audit Committee.</p>
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>The latest triennial valuation for 30 September 2021 is being negotiated with the DB Pension Scheme Trustees. The deadline for agreement is 31 December 2022.</p> <p>There is now a better understanding across the group on the significance of the pension position surplus / deficit. The risk is being managed through the financial recovery plan and is currently not material to the operational business. This strategic risk is a longer-term risk and therefore the impact has been assessed as medium.</p>

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

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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.

Disclosure of information to auditors

Each of the persons who are Council Members at the time when this report is approved has confirmed that:

- So far as the Council Member is aware, there is no relevant audit information of which the Bar Council are unaware, and
- Each Council Member has taken all steps that they ought to have taken to be aware of any relevant audit information and to establish that the auditors are aware of that information.

Approved by the Bar Council on 17 September 2021 and signed on its behalf by:



Chair of the Bar Council



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Treasurer of the Bar Council

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 2022 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 2022 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Council Members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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,

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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.

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 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to Employment law, Legal services act 2007 and GDPR, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements including tax regulations and FRS102.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of override of controls. Audit procedures performed by the engagement team included:

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- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing correspondence with regulators and tax authorities;
- Reviewing the controls and procedures to ensure these were in place throughout the year;
- Reviewing and testing journal entries made in the year, particularly those made as part of the year-end financial reporting process;
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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.

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: 19 October 2022

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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 2022, 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.

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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: 19 October 2022

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Consolidated Income Statement of Comprehensive Income

	Notes	2022 £000's	2021 £000's
INCOME			
Regulation PCF (BSB)		9,398	9,687
Regulation (BSB)		2,696	2,637
Representation PCF		3,925	4,048
Representation		518	814
Services to the Bar		1,878	1,535
Subsidiaries		8	21
Non-operating activities PCF		2,018	2,012
Interest on Pension Assets		14	12
Government grants		-	91
Investment Gain		204	386
		<hr/>	<hr/>
Total income	3 & 4	20,659	21,243
EXPENDITURE			
Regulation (BSB)		11,176	10,191
Representation		4,290	4,117
Services to the Bar		1,130	1,197
Subsidiaries		18	20
Non-operating activities PCF		1,018	1,012
Investment Loss		-	-
		<hr/>	<hr/>
Total expenditure	3	17,632	16,537
Surplus for the Year before Taxation		3,027	4,706
Taxation	17	(130)	-
		<hr/>	<hr/>
Surplus for the Year After Taxation		2,897	4,706
Actuarial (loss) on Pension Fund		(1,164)	(1,162)
		<hr/>	<hr/>
Total Comprehensive Income		1,733	3,544
		<hr/> <hr/>	<hr/> <hr/>
Represented by:			
General Council of the Bar Group		(1,733)	(3,544)
Non-Controlling interest		-	-
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The Notes on pages 21-41 form an integral part of these Statements

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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 2021	8,175	-	-	796	-	8,971
Changes in year:						
Surplus for the year	2,827	14	-	56	-	2,897
Acquisition of NCI	-	-	-	-	-	-
Transfer to Pension Reserve	(1,150)	1,150	-	-	-	-
Pension scheme: Actuarial Gain/(Loss)	-	(1,164)	-	-	-	(1,164)
Balance: 31 Mar 2022	9,852	-	-	852	-	10,704

	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 2020	4,756	-	-	699	(28)	5,427
Changes in year:						
Surplus for the year	4,597	12	-	97	-	4,706
Acquisition of NCI	(28)	-	-	-	28	-
Transfer to Pension Reserve	(1,150)	1,150	-	-	-	-
Pension scheme: Actuarial Gain/(Loss)		(1,162)	-	-	-	(1,162)
Balance: 31 Mar 2021	8,175	-	-	796	-	8,971

The Notes on pages 21-41 form an integral part of these Statements.

The General Council of the Bar
Financial Statements for the year to
31 March 2022

Statements of Financial Position

		Parent		Group	
		31/03/2022	31/03/2021	31/03/2022	31/03/2021
		£000's	£000's	£000's	£000's
Fixed Assets					
Property, equipment and software	9	4,014	4,342	4,014	4,342
Investment in Subsidiaries	10	-	-	-	-
Investments	11	1,669	1,536	2,467	2,282
		<u>5,683</u>	<u>5,878</u>	<u>6,481</u>	<u>6,624</u>
Current Assets					
Debtors & Prepayments	12	3,953	4,113	3,910	4,082
Cash and cash equivalents Bank		27,501	23,242	27,616	23,337
		<u>31,454</u>	<u>27,355</u>	<u>31,526</u>	<u>27,419</u>
Creditors: due within one year	13	(23,260)	(20,071)	(23,260)	(20,072)
Net Current Assets		<u>8,194</u>	<u>7,284</u>	<u>8,266</u>	<u>7,347</u>
Total Assets less Current Liabilities		13,877	13,162	14,747	13,971
Pensions Liability	16	-	-	-	-
Deferred taxation		-	-	-	-
Bank loan		(4,043)	(5,000)	(4,043)	(5,000)
Net Assets		<u>9,834</u>	<u>8,162</u>	<u>10,704</u>	<u>8,971</u>
Represented by:					
General Reserve	8	9,834	8,162	9,852	8,175
Pensions Reserve		-	-	-	-
		<u>9,834</u>	<u>8,162</u>	<u>9,852</u>	<u>8,175</u>
Revaluation reserve		-	-	-	-
Charitable Trust		-	-	852	796
Non-Controlling Interest		-	-	-	-
		<u>9,834</u>	<u>8,162</u>	<u>10,704</u>	<u>8,971</u>

Approved and authorised for issue by the Bar Council on 17 September 2022 and signed on its behalf by:

Chair



Treasurer



The General Council of the Bar
Financial Statements for the year to
31 March 2022

The Notes on pages 21-41 form an integral part of these Statements.

The General Council of the Bar
Financial Statements for the year to
31 March 2022

Consolidated Statement of Cash Flows

	Year to 31/03/22 £000's	Year to 31/03/21 £000's
Reconciliation of Operating surplus to Net Cash Flow from operating activities:		
Operating Surplus	2,897	4,706
Investment (Gain)/Loss	(204)	(386)
Pension scheme contributions	(1,150)	(1,150)
Pension scheme net interest cost/(income) 16c	(42)	(69)
Taxation charge	130	-
Depreciation/amortisation charge	1,045	960
Increase/(Decrease) in Debtors	172	(642)
Increase/(Decrease) in Creditors	2,101	9,591
	<hr/>	<hr/>
Net Cash Flow from Operating Activities	4,949	13,010
Investing activities:		
Purchase of Tangible and intangible fixed assets (inc WIP)	(717)	(1,009)
Purchase of Investments	(2,031)	(956)
Sale of Investments	2,078	1,040
Increase in borrowing	-	5,000
	<hr/>	<hr/>
Cash Flow from Investing Activities	(670)	4,075
Increase/(Decrease) in Cash and cash equivalents	4,279	17,085
Cash and cash equivalents at 1 April	23,337	6,252
	<hr/>	<hr/>
Cash and cash equivalents at 31 March	27,616	23,337
	<hr/> <hr/>	<hr/> <hr/>

Analysis of net debt

	As at 31 March 2021	Cashflows	As at 31 March 2022
Cash and cash equivalents			
Bank	23,337	4,279	27,616
Bank loans	(5,000)	-	(5,000)
Total	18,337	4,279	22,616

The Notes on pages 21-41 form an integral part of these Statements.

The General Council of the Bar
Financial Statements for the year to
31 March 2022

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 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 Bar Council's liquidity position and reviewed cash flow forecasts for the foreseeable future.

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 Direct Access Portal Ltd, 100% 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.

Government grant income relates to the Coronavirus Job Retention Scheme (CJRS) and is recognised as receivable in line with the period that the expense has been incurred.

The General Council of the Bar
Financial Statements for the year to
31 March 2022

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.

Tangible and Intangible fixed assets

Property, equipment and computer software are measured at historical cost.

Depreciation and amortisation is provided on all classes of property, equipment and software and is calculated on a straight-line basis over their estimated useful economic lives. The rates of depreciation and amortisation 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 (intangible): 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 and amortisation is usually charged from the date that an asset is first brought into use. In respect of databases, amortisation commences once the asset is fully functional: see Note 9.

Investments

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.

Borrowing costs

All borrowing costs are recognised in statement of comprehensive income in the year in which they are incurred.

The General Council of the Bar

Financial Statements for the year to

31 March 2022

Financial Instruments

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.

The General Council of the Bar
Financial Statements for the year to
31 March 2022

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 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.

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 2022

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

Expenditure/Costs:	2021/22 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	(3,667)	(2,332)	(5,999)	(5,999)	-	2,564	-	-	-	5,209	7,773	1,774
Legal and Enforcement	(1,926)	(1,067)	(2,993)	(2,993)	-	115	-	-	-	2,384	2,499	(494)
Strategy & Policy	(1,135)	(702)	(1,837)	(1,837)	-	13	-	-	-	1,568	1,581	(256)
Comms and Public Engagement	(388)	(224)	(612)	(612)	-	4	-	-	-	502	506	(106)
Movement in holiday accrual		265	265	265	-	-	-	-	-	(265)	(265)	-
	(7,116)	(4,060)	(11,176)	(11,176)	-	2,696	-	-	-	9,398	12,094	918
(B) Representation (BC)												
Approved Regulator: Corp.	(1,022)	(445)	(1,467)	(1,320)	(147)	98	-	-	-	1,256	1,354	(113)
Donations:	(262)	-	(262)	(262)	-	-	-	-	-	262	262	-
Representation & Policy:												
Regulation, Law Reform & Ethics	(219)	(148)	(367)	(349)	(18)	-	-	-	-	332	332	(35)
Legal Practice & Remuneration	(275)	(148)	(423)	(423)	-	-	-	-	-	403	403	(20)
Diversity & Inclusion	(378)	(173)	(551)	(551)	-	68	202	-	-	524	794	243
International	(249)	(124)	(373)	(354)	(19)	5	-	-	-	337	342	(31)
Brussels	(146)	-	(146)	(117)	(29)	-	-	-	-	111	111	(35)
Communications/Marketing	(524)	(346)	(870)	(870)	-	-	12	174	-	828	1,014	144
Movement in holiday accrual		169	169	41	128	-	-	(41)	-	(128)	(169)	-
	(3,075)	(1,215)	(4,290)	(4,205)	(85)	171	214	133	-	3,925	4,443	153
(C) Services to the Bar:	(709)	(421)	(1,130)	-	(1,130)	733	-	1,145	-	-	1,878	748
Bar Council (B) & (C)	(3,784)	(1,636)	(5,420)	(4,205)	(1,215)	904	214	1,278	-	3,925	6,321	901
Principal Activities	(10,900)	(5,696)	(16,596)	(15,381)	(1,215)	3,600	214	1,278	-	13,323	18,415	1,819
Subsidiary organisations		(18)	(18)		(18)	8	-	-	-	-	8	(10)
GCB Operating Activities	(10,900)	(5,714)	(16,614)	(15,381)	(1,233)	3,608	214	1,278	-	13,323	18,423	1,809
Non Operating Activities			(1,018)	(1,018)	-		-	-	218	2,018	2,236	1,218
Total as per Income Statement (before Tax)			(17,632)	(16,399)	(1,233)	3,608	214	1,278	218	15,341	20,659	3,027

** Other income includes £204k unrealised investment income gain.

Prior year comparative information can be found (In note 18) on page 41.

The General Council of the Bar
Financial Statements for the year to
31 March 2022

4. Analysis of income by division

	Bar Standards Board		Bar Council		Subtotal Operating Results		Non-Operating Results		Total GCB	
	2022 £000's	2021 £000's	2022 £000's	2021 £000's	2022 £000's	2021 £000's	2022 £000's	2021 £000's	2022 £000's	2021 £000's
Practising Certificate Fees	9,398	9,687	3,925	4,048	13,323	13,735	2,018	2,012	15,341	15,747
Inns Contributions	-	-	214	250	214	250	-	-	214	250
Bar Representation Fee Subscriptions	-	-	1,278	1,278	1,278	1,278	-	-	1,278	1,278
Fees, Charges & Services	2,696	2,637	912	842	3,608	3,479	-	-	3,608	3,479
Government Grant	-	25	-	66	-	91	-	-	-	91
Interest on Pension Assets	-	-	-	-	-	-	14	12	14	12
Total Income	12,094	12,349	6,329	6,484	18,423	18,833	2,032	2,024	20,455	20,857
Total Expenditure	11,176	10,191	5,438	5,334	16,614	15,525	1,018	1,012	17,632	16,537
Investment gains/ (losses)	-	-	-	-	-	-	204	386	204	386
Surplus/ (Loss) Before Taxation	918	2,158	891	1,150	1,809	3,308	1,218	1,398	3,027	4,706
<u>Analysis of Surplus by Source Before Taxation:</u>										
Permitted Purposes	918	2,158	408	494	1,326	2,652	1,218	1,398	2,544	4,050
Other	-	-	483	656	483	656	-	-	483	656

The General Council of the Bar
Financial Statements for the year to
31 March 2022

5 (a) Non-Operating Expenditure

	Year to 31/03/22 £000's	Year to 31/03/21 £000's
Payments:		
LSB Running Costs	374	360
OLC Running Costs	494	502
	<hr/>	<hr/>
Subtotal	868	862
Net pension scheme	150	150
Other Pension Costs	-	-
	<hr/>	<hr/>
	1,018	1,012
	<hr/>	<hr/>
Recorded as Operating Costs	-	-
Non-Operating Costs	1,018	1,012
	<hr/>	<hr/>

5 (b) Operating result

The Operating Result has been arrived at after charging:

	Year to 31/03/22 £000's	Year to 31/03/21 £000's
Auditors' remuneration:		
Audit fees	34	36
Non-audit services:		
Accounts preparation	3	3
Taxation compliance	10	10
Depreciation	1,066	960
Operating lease property rentals	560	560

5 (c) Divisional expenditure

	Bar Standards Board		Bar Council		Resources Group		Total GCB	
	2022	2021	2022	2021	2022	2021	2022	2021
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Direct Staffing	5,352	4,485	2,725	2,355	1,864	1,853	9,941	8,693
Other Direct Costs	1,764	1,556	1,059	1,147	4,266	3,699	7,089	6,402
Direct Costs	7,116	6,041	3,784	3,502	6,130	5,552	17,030	15,095
Overhead Allocation	4,325	3,914	1,805	1,638	(6,130)	(5,552)	-	-
Cost of Subsidiaries	-	-	18	20	-	-	18	20
Movement in Holiday Pay accrual	(265)	236	(169)	174	-	-	(434)	410
Divisional Operating Costs	11,176	10,191	5,438	5,334	-	-	16,614	15,525

The General Council of the Bar
Financial Statements for the year to
31 March 2022

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 31/03/22 £000's	Year to 31/03/21 £000's
Salaries	7,834	7,009
National Insurance	825	765
DC Pension Contribution	578	533
DB Pension Contribution	1,150	1,150
Other Staff Costs, Temporary Staff & Recruitment	283	373
Termination payments	25	25
	<u>10,695</u>	<u>9,855</u>
Total Costs of Employment	<u>10,695</u>	<u>9,855</u>

During the year the Bar Council contributed £1.15m (2020/21: £1.15m) 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

Total Remuneration level	2022				2021			
	RGP	Bar Council	BSB	Total	RGP	Bar Council	BSB	Total
£160,000 or greater	-	1	-	1	-	2	-	2
£140,000-£159,999	-	1	1	2	-	-	-	-
£120,000-£139,999	1	-	-	1	-	-	1	1
£100,000-£119,999	-	1	4	5	1	1	2	4
£80,000-£99,999	1	4	2	7	2	3	3	8
Less than £80,000	-	1	1	2	-	1	1	2
	<u>218</u>	<u>807</u>	<u>814</u>	<u>1,839</u>	<u>288</u>	<u>747</u>	<u>670</u>	<u>1,705</u>
Total Remuneration of Key Management Personnel	218	807	814	1,839	288	747	670	1,705
(£000's)								

The General Council of the Bar
Financial Statements for the year to
31 March 2022

6. Employment costs (continued)

The Chair of the Bar was paid £204,978 (2020/21: £189,187) and the Chair of BSB was paid £91,056 pro rata (2020/21: £85,300).

The Vice-Chair of the Bar was paid £89,396 (2020/21: £81,106). The Vice-Chair of the BSB received £39,727 pro rata (2020/21: £32,102).

The Treasurer received £nil remuneration in the year (2020/21: £nil).

The Chair of the Young Bar Committee was paid £25,000 (2020/21: £25,000). 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 £9,630. (2021 - £7,488).

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 (2020/21 £7,000 plus VAT). In addition, both of the members of QCA received a management fee in 2022 of £25,000 plus VAT (2020/21: £25,000 plus VAT).

Queens Counsel Appointments Limited made a grant to The General Council of the Bar amounting to £ 75,000 (2020/21: £75,000).

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 £20,085 (2020/21: £1,059).

There were no other related party transaction requiring disclosure in this year or prior year.

The General Council of the Bar
Financial Statements for the year to
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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 2020	185	274	4,297	4,756
Surplus	3,941	-	656	4,597
Transfer to Pension Reserve	(1,150)	-	-	(1,150)
Transfer to Legal Challenges Reserve	(100)	100	-	-
Transfer for legal costs	74	(74)	-	-
Acquisition of NCI	-	-	(28)	(28)
Balance 31 March 2021	<u>2,950</u>	<u>300</u>	<u>4,925</u>	<u>8,175</u>
Surplus	1,940	-	887	2,827
Transfer to Pension Reserve	(1,150)	-	-	(1,150)
Transfer to Legal Challenges Reserve	(100)	100	-	-
Transfer for legal costs	104	(104)	-	-
Acquisition of NCI	-	-	-	-
Balance 31 March 2022	<u><u>3,744</u></u>	<u><u>296</u></u>	<u><u>5,812</u></u>	<u><u>9,852</u></u>

*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 2022.

9. Fixed Assets

GCB/Group	Leasehold Improvement £000's	Office Furniture £000's	IT Equipment £000's	Database/ Software £000's	Total £000's
Cost					
Balance: 1 April 2021	2,185	56	714	5,018	7,973
Additions	29	38	282	368	717
Disposals	-	-	-	-	-
Balance: 31 March 2022	<u><u>2,214</u></u>	<u><u>94</u></u>	<u><u>996</u></u>	<u><u>5,386</u></u>	<u><u>8,690</u></u>
Depreciation and amortisation					
Balance: 1 April 2021	252	23	470	2,886	3,631
Charge for the year	250	19	138	638	1,045
Disposals	-	-	-	-	-
Balance: 31 March 2022	<u><u>502</u></u>	<u><u>42</u></u>	<u><u>608</u></u>	<u><u>3,524</u></u>	<u><u>4,676</u></u>
Net Book Value					
At 31 March 2022	<u><u>1,712</u></u>	<u><u>52</u></u>	<u><u>388</u></u>	<u><u>1,862</u></u>	<u><u>4,014</u></u>
At 31 March 2021	<u><u>1,933</u></u>	<u><u>33</u></u>	<u><u>244</u></u>	<u><u>2,132</u></u>	<u><u>4,342</u></u>

The General Council of the Bar
Financial Statements for the year to
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9. Fixed assets (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 (AUC) amounting to £6k (2020/21: £53k).

Of the total assets held those classified as Database/Software relate to intangible assets.

10. Subsidiaries & associated bodies

The group accounts consolidate the accounts of the General Council of the Bar and one 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	-
The Bar Direct Access Portal Ltd	-	8	-

			-
			=====

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.

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10. Subsidiaries & associated bodies (continued)

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 2022, the net assets of the Trust stood at £796k (2020/21: £796k).

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. The Direct Access Portal is 100% owned by the General Council of the Bar.

The Barristers' Foundation

The General Council of the Bar appoints the Trustees of the charity, The Barristers' Foundation (TBF) registered charity No. 1186390. TBF supports barristers (and prospective barristers) who may be disadvantaged within the workplace, thereby supporting diversity in the profession.

The results of the subsidiaries for the year ending 31 March 2022 are as follows:

	Bar Scholarship Trust		Direct Access Portal Limited		The Barristers' Foundation	
	2022	2021	2022	2021	2022	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Income statement						
Income	17	16	-	-	11	12
Expenditure	(12)	(13)	(1)	(2)	(8)	(14)
Forgiveness of loan from parent	-	-	-	65	-	-
Net result for the year	5	3	(1)	63	3	(2)
Balance Sheet						
Fixed Assets	-	-	-	-	-	-
Investments	797	746	-	-	-	-
Net current assets/(liabilities)	55	50	8	7	9	6
Net assets	852	796	8	7	9	6

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11. Investments

	Parent		Group	
	2022	2021	2022	2021
	£000's	£000's	£000's	£000's
Market Value				
Balance: 1 April	1,535	1,293	2,281	1,946
Additions at cost	1,670	628	2,031	927
Disposal proceeds	(1,586)	(686)	(1,944)	(1,020)
Unrealised gains/(losses)	(83)	59	(105)	43
Realised gains/(losses)	134	242	204	386
	<u>1,670</u>	<u>1,536</u>	<u>2,467</u>	<u>2,282</u>
Balance: 31 March 2022	1,670	1,536	2,467	2,282
Analysis: Investments	1,653	1,446	2,413	2,155
Cash	17	90	54	127
	<u>1,619</u>	<u>1,235</u>	<u>2,367</u>	<u>1,853</u>
Historical Cost	1,619	1,235	2,367	1,853

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	
	2022	2021	2022	2021
	£000's	£000's	£000's	£000's
Trade Debtors	2,833	2,808	2,832	2,808
Accrued Income	53	390	54	390
Prepayments	843	693	845	698
Other Debtors	224	222	179	186
	<u>3,953</u>	<u>4,113</u>	<u>3,910</u>	<u>4,082</u>

The amount of trade debtors is stated net after deducting a bad debt provision of £2,688 (2020/21: £7,768).

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13. Creditors: due within one year

	Parent		Group	
	2022	2021	2022	2021
	£000's	£000's	£000's	£000's
Deferred Income: PCF	15,361	13,792	15,361	13,792
BRF	807	836	807	836
Deferred Income (see note 13b)	16,168	14,628	16,168	14,628
PCF funded pension contribution	2,500	2,350	2,500	2,350
Trade Creditors	375	75	375	75
Accruals and other deferred income	1,260	1,182	1,260	1,184
Other taxes & social security	450	275	450	274
Sundry Creditors	1,550	1,561	1,550	1,561
Bank Loan	957		957	
Other Creditors	4,592	3,093	4,592	3,094
Total creditors	23,260	20,071	23,260	20,072

The PCF funded pension contribution represents that element of PCF collected in the 2022 fees collection process to be allocated to fund the DB pension scheme recovery plan contributions from April 2022.

13 a) Deferred income and Non-Operating Income

	LSB/OLC Levy		Pension Scheme Contribution		Total	
	Year to 31/03/22	Year to 31/03/21	Year to 31/03/22	Year to 31/03/21	Year to 31/03/22	Year to 31/03/21
	£000's	£000's	£000's	£000's	£000's	£000's
Balance at the 1st April	-	-	2,350	2,200	2,350	2,200
Amounts Collected in year	868	862	1,300	1,300	2,168	2,162
Recognised in Non-Operating Income	(868)	(862)	(1,150)	(1,150)	(2,018)	(2,012)
Balance at the 31st March	-	-	2,500	2,350	2,500	2,350

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13b. Deferred income movements

	PCF		BRF	
	£000's	£000's	£000's	£000's
	2022	2021	2022	2021
Balance as at 1 April	13,646	5,983	836	447
Amounts collected during the year	17,056	23,411	1,249	1,667
Recognised in Operating Income	(15,341)	(15,748)	(1,278)	(1,278)
Balance at 31 March	15,361	13,646	807	836

14. Loan Payable

At 31 March 2022 the Bar Council had a Loan of £5m interest free for 12 months. Repayments are due from March 2022 over a 72 month period at 1.69% p.a. over base Rate. There is a fixed charge over the property owned by the Bar Council for this loan.

Loan repayments schedule:	2022	2021
	£000's	£000's
Within 1 year	957	-
Within 1-2 years	957	957
Within 3-5 years	3,086	2,999
>5years	-	1,044

15. Commitments

- (a) As at 31 March 2022, the Bar Council had non-cancellable commitments for operating leases as follows:

	Land & Buildings	
	2022	2021
	£000's	£000's
Expiring: Within 1-2 years	1,157	1,157
Expiring: Within 3-5 years	1,736	1,736
Expiring: >5years	1,736	2,314

The gross property rental charge for the period was £578,523 (2020/21: £559,546).

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

- (b) As at 31 March 2022, the Bar Council had capital commitments of £Nil (2020/21: £Nil).

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16. 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 Bar Council and the Fund’s Trustees agreed a deficit reduction plan following the actuarial valuation as at 30 September 2018. The Bar Council paid contributions of £1.0 million in April 2019 and two payments of £575k each in April and October 2021. The Bar Council have agreed to make payments of £1.15M in April 2022 and April 2023. The Bar Council paid the 2021/22 contributions of £1.15M to the defined benefit pension fund over the year to 31 March 2022. Contributions to the Fund for the year beginning 1 April 2022 were £1.15M.

A full actuarial valuation of the defined benefit scheme was carried out as at 30 September 2021, and has been updated to 31 March 2022 by a qualified independent actuary.

This disclosure shows the Fund to have a surplus at 31 March 2022 of £4.8m (31 March 2021: £1.5m surplus). This increase in the surplus is primarily due to:

- The improvement in market conditions (primarily the increase in the discount rate) which has reduced the value of the liabilities over the year.
- The employer paid a deficit reduction of £1.15m to the scheme during the year.

This was partially offset by:

- The actual return on assets being lower than expected over the year.

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:

	2022	2021
Rates per annum:	%	%
Inflation (CPI)	3.05	2.85
Salary increases	N/A	N/A
Discount Rate	2.60	2.00
Pension in payment increases (CPI, max 5%, Min 3%)	3.40	3.35
Proportion of employees opting for early retirement		
Revaluation rate for deferred pensions	5.00	5.00

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16. Defined Benefit Pension Scheme (continued)

(a) Assumptions (continued):

The mortality assumptions adopted imply the following life expectancies:

	2022	2021
Male retiring at age 65 today	21.8	22.0
Female retiring at age 65 today	24.2	24.4
Male retiring at age 65 in 20 years	22.7	23.0
Female retiring at age 65 in 20 years	25.3	25.5

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	0.0023	0.0015
- 60	0.0044	0.0030

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

	2022	2021
	£000's	£000's
Fair value of scheme assets: see (e) below	30,310	30,230
Present value of scheme liabilities: see (d) below	(25,483)	(28,688)
	<hr/>	<hr/>
Surplus in scheme	4,827	1,542
	<hr/>	<hr/>
Asset to be recognised	-	-
	<hr/>	<hr/>

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Financial Statements for the year to
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16. Defined Benefit Pension Scheme
(continued)

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

	2022	2021
	£000's	£000's
Income		
Interest Income	(613)	(656)
	=====	=====
Expenditure		
Interest Cost	571	587
	-----	-----
Total recognised in Consolidated Income Statement	(42)	(69)
	=====	=====
Actual return/(loss) on scheme assets	(720)	2,201

Administration expenses of £Nil(2020/21: £Nil) were paid from scheme assets during the accounting period to 31 March 2022.

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

	2022	2021
	£000's	£000's
Return on Scheme Assets excluding amounts included in interest expense/income	(1,333)	1,545
Re-measurement gains/(losses) on the defined benefit obligation - experience	185	(463)
Re-measurement gains/(losses) on the defined benefit obligation – changes in assumptions	3,241	(3,236)
Surplus Withheld – no cash benefit arising from reduction in or return of contributions	(3,254)	992
	-----	-----
Re-measurement gains/(losses) recognised in other comprehensive income	(1,161)	(1,162)
	=====	=====

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Financial Statements for the year to
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16. Defined Benefit Pension Scheme (continued)

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

	2022	2021
	£000's	£000's
Scheme Liabilities: 1 April	28,688	26,544
Interest expense	571	587
Actuarial (gain)/loss	(3,426)	3,699
Benefits paid & Life Assurance Premium	(350)	(2,142)
	<hr/>	<hr/>
Scheme Liabilities: 31 March	25,483	28,688
	<hr/> <hr/>	<hr/> <hr/>

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)	2022	2021
	£000's	£000's
Scheme Assets: 1 April	30,230	29,021
Interest Income	613	656
Return on Scheme assets excluding amounts included under interest expense/income	(1,333)	1,545
Employer Contributions	1,150	1,150
Administration fee paid from Scheme assets	-	-
Benefits paid & Life Assurance Premium	(350)	(2,142)
	<hr/>	<hr/>
Scheme Assets: 31 March	30,310	30,230
	<hr/> <hr/>	<hr/> <hr/>

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

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16. Defined Benefit Pension Scheme (continued)

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

	2022	2021
	%	%
Equities	12.9	12.0
Bonds	77.2	80.1
Cash	9.9	7.9
	<hr/>	<hr/>
Total Assets	100.0	100.0
	<hr/>	<hr/>

17. Taxation

	2022	2021
	£000's	£000's
Current tax on surplus for the year	130	-
	<hr/>	<hr/>
Total current tax	130	-
	<hr/> <hr/>	<hr/> <hr/>

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2021 - the same as) the standard rate of corporation tax in the UK of 19% (2021 - 19%) as set out below:

	2022	2021
	£000's	£000's
Surplus on ordinary activities	3,027	-
	<hr/>	<hr/>
Multiplied by standard rate of corporation tax in UK of 19%	575	-
Effects of:		
Fixed asset differences	167	-
Expenses/income not deductible for tax purposes	(629)	-
Chargeable gains	(39)	-
Movement in deferred tax	56	-
	<hr/>	<hr/>
Total tax charge for the year	130	-
	<hr/> <hr/>	<hr/> <hr/>

The Bar Council Scholarship Trust and The Barristers' Foundation are registered charities and all its income is exempt from tax under ss. 521-536 ITA 2007.

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Note 18: PRIOR YEAR Expenditure Analysis and Statement under s.51 Legal Services Act 2007

Expenditure/Costs:	2020/21 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	(3,029)	(2,056)	(5,085)	<i>(5,085)</i>	-	2,593	-	-	13	4,963	7,569	2,484
Legal and Enforcement	(1,666)	(958)	(2,624)	<i>(2,624)</i>	-	44	-	-	6	2,312	2,362	(262)
Strategy & Policy	(988)	(704)	(1,692)	<i>(1,692)</i>	-	-	-	-	4	1,700	1,704	12
Comms and Public Engagement	(358)	(196)	(554)	<i>(554)</i>	-	-	-	-	2	476	478	(76)
Movement in holiday accrual		(236)	(236)	<i>(236)</i>	-	-	-	-	-	236	236	0
	<u>(6,041)</u>	<u>(4,150)</u>	<u>(10,191)</u>	<u><i>(10,191)</i></u>	<u>-</u>	<u>2,637</u>	<u>-</u>	<u>-</u>	<u>25</u>	<u>9,687</u>	<u>12,349</u>	<u>2,158</u>
(B) Representation (BC)												
Approved Regulator: Corp.	(829)	(364)	(1,193)	<i>(1,074)</i>	(119)	164	-	-	-	1,145	1,309	116
Donations:	(235)	0	(235)	<i>(235)</i>	0	-	-	-	-	235	235	-
Representation & Policy:												
Regulation, Law Reform & Ethics	(188)	(156)	(344)	<i>(327)</i>	(17)	-	-	-	9	349	358	14
Legal Practice & Remuneration	(295)	(156)	(451)	<i>(451)</i>	-	-	-	-	12	480	492	41
Diversity & Inclusion	(343)	(156)	(499)	<i>(499)</i>	-	53	236	-	13	532	834	335
International	(200)	(104)	(304)	<i>(289)</i>	(15)	42	-	17	8	308	375	71
Brussels	(163)	0	(163)	<i>(130)</i>	(33)	-	-	20	4	139	163	0
Communications/Marketing	(468)	(286)	(754)	<i>(754)</i>	-	-	14	151	11	803	979	225
Movement in holiday accrual		(174)	(174)	<i>(117)</i>	(57)	-	-	117	-	57	174	-
	<u>(2,721)</u>	<u>(1,396)</u>	<u>(4,117)</u>	<u>(3,876)</u>	<u>(241)</u>	<u>259</u>	<u>250</u>	<u>305</u>	<u>57</u>	<u>4,048</u>	<u>4,919</u>	<u>802</u>
(C) Services to the Bar:	<u>(781)</u>	<u>(416)</u>	<u>(1,197)</u>	<u>-</u>	<u><i>(1,197)</i></u>	<u>562</u>	<u>-</u>	<u>973</u>	<u>9</u>	<u>-</u>	<u>1,544</u>	<u>347</u>
Bar Council (B) & (C)	<u>(3,502)</u>	<u>(1,812)</u>	<u>(5,314)</u>	<u>(3,876)</u>	<u>(1,438)</u>	<u>821</u>	<u>250</u>	<u>1,278</u>	<u>66</u>	<u>4,048</u>	<u>6,463</u>	<u>1,149</u>
Principal Activities	<u>(9,543)</u>	<u>(5,962)</u>	<u>(15,505)</u>	<u>(14,067)</u>	<u>(1,438)</u>	<u>3,458</u>	<u>250</u>	<u>1,278</u>	<u>91</u>	<u>13,735</u>	<u>18,812</u>	<u>3,307</u>
Subsidiary organisations		(20)	(20)		(20)	21	-	-	-	-	21	1
GCB Operating Activities	<u>(9,543)</u>	<u>(5,982)</u>	<u>(15,525)</u>	<u>(14,067)</u>	<u>(1,458)</u>	<u>3,479</u>	<u>250</u>	<u>1,278</u>	<u>91</u>	<u>13,735</u>	<u>18,833</u>	<u>3,308</u>
Non-Operating Activities			<u>(1,012)</u>	<u>(1,012)</u>	-		-	-	398	2,012	<u>2,410</u>	<u>1,398</u>
Total as per Income Statement (before Tax)	<u>(16,537)</u>		<u>(16,537)</u>	<u>(15,079)</u>	<u>(1,458)</u>	<u>3,479</u>	<u>250</u>	<u>1,278</u>	<u>489</u>	<u>15,747</u>	<u>21,243</u>	<u>4,706</u>

** Other income includes £386k unrealised investment income gain.

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Officers and Professional Advisers

The Bar Council

Officers

Chair:	Jan 22 to Mar 22	Mark Fenhalls QC
Vice Chair:	Jan 22 to Mar 22	Nick Vineall QC
Treasurer:		Lorinda Long
Chair:	Apr 21 to Dec 21	Derek Sweeting QC
Vice Chair:	Apr 21 to Dec 21	Mark Fenhalls QC
Chief Executive		Malcolm Cree CBE

Bar Standards Board

Chair:	Baroness Tessa Blackstone
Vice Chair:	Andrew Mitchell QC
Director-General	Mark Neale

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