



The General Council of the Bar

Financial Statements for the year to 31 March 2019

The General Council of the Bar
Financial Statements for the year to
31 March 2019

Contents

	Page No.
Officers and Professional Advisors	3
Statement of Council Members' Responsibilities	4
Independent Auditor's Report	5
Treasurer's Report	7
Financial Commentary	8
Financial Statements	
Consolidated Income Statement by Fund Source	13-14
Consolidated Statement of Comprehensive Income	14
Consolidated Statement of Changes in Equity	15
Statements of Financial Position	16
Consolidated Statement of Cash Flows	17
Notes to the Financial Statements	18-36
Additional Information not part of the audited Financial Statements:	
Independent Report to the General Council of the Bar in respect of the Statement under s.51 Legal Services Act 2007	37
Statement under s.51 Legal Services Act 2007 – Permitted Purposes	39

The General Council of the Bar
Financial Statements for the year to
31 March 2019

Officers and Professional Advisers

The Bar Council

Officers

Chair:		Richard Atkins QC
Vice Chair:	}from January 2019	Amanda Pinto QC
Treasurer:		Grant Warnsby

Chair:		Andrew Walker QC
Vice Chair:	}to December 2018	Richard Atkins QC
Treasurer:		Lorinda Long

Chief Executive		Malcolm Cree CBE
-----------------	--	------------------

Bar Standards Board

Chair:		Baroness Tessa Blackstone
--------	--	---------------------------

Vice Chair:		Naomi Ellenbogen QC
-------------	--	---------------------

Director-General		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
---	--	--

The General Council of the Bar
Financial Statements for the year to
31 March 2019

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

2019 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 2019

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 2019 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 2019 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 2019

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: 2019

The General Council of the Bar
Financial Statements for the year to
31 March 2019

Treasurer's Report

I am privileged to have been elected Treasurer and pleased that I can report a surplus of £578k.

This surplus comes on the back of improving income. However, the underlying financial picture remains mixed and it is important that we continue to maintain strong discipline on cost structure. Our systems and process are improving, and we are working harder than ever to forecast accurately. This is underpinned by a financial improvement program which began in January 2019 and will continue into early 2020.

We report an operating deficit of £133k which is a deterioration on last year's result which was an operating deficit of £64k. Our total operating income was up £772k (5.3%) however operating expenditure also increased by £841k (5.8%) on the prior year.

Included in these figures is a one-off exit charge of £378k in relation to the General Council of the Bar's (GCB) printing supplier. The charge followed the decision to terminate an uneconomic printer contract early.

There was also an impact on the reserves due to an historic mismatch between the PCF income and recognition of the Legal Services Board ("LSB") levy. This has led to a reduction in non-operating income of £396k. A further equal reduction of £396k will be taken in 2019/20 after which the PCF income will be in line with the LSB levy.

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

- Pension – The accounts show the 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. The next triennial report will be delivered at the end of 2019. We continue to see an increase in the liabilities/deficit of the defined benefit Pension scheme. This is because of the link between these liabilities and the performance of financial markets and long-term bond rates. We recognise the risk and continue to review the existing funding agreement to ensure it remains fit for purpose.
- Permitted Purpose Reserve – Total general reserves remain positive at £3,109k, the permitted purposes reserves are overdrawn for the third year in a row. While the level of other general reserves means this is not yet a concern; we will on an ongoing basis need to closely monitor the reserves position.

We are making good progress delivering against the business plan and the financial improvement plan.

I should like to thank the excellent team at the GCB particularly the Finance Team lead by our Finance Director, Richard Cullen for their dedication and professionalism.

The General Council of the Bar
Financial Statements for the year to
31 March 2019

Financial Commentary

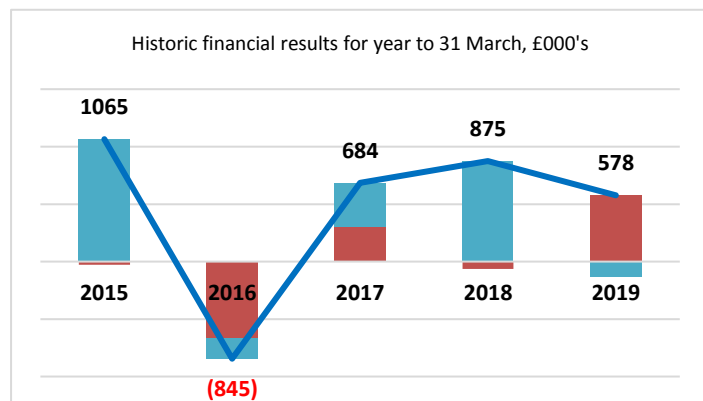
The financial statements for the General Council of the Bar combine the activities of the association and subsidiary entities into group accounts. The commentary and notes distinguish between the components with these references:

- 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 Bar Direct Access Portal Limited (BDAP): 50% 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 rose £0.4m to £16.6m from £16.2m in 2017/18. Total costs rose £0.8m to £16.1m (2017/18: £15.3m). A total surplus of £578k was achieved, down £297k against the prior year's surplus of £875k.



Historic financial results for year to 31 March, £000's					
	2015	2016	2017	2018	2019
- Bar Council	60	(601)	228	(20)	32
- Bar Standards Board	(87)	(69)	76	(44)	(165)
Operating Surplus/(Loss)	(27)	(670)	304	(64)	(133)
Non-Operating Surplus	1,092	(175)	380	939	711
Total Surplus/(Loss)	1,065	(845)	684	875	578

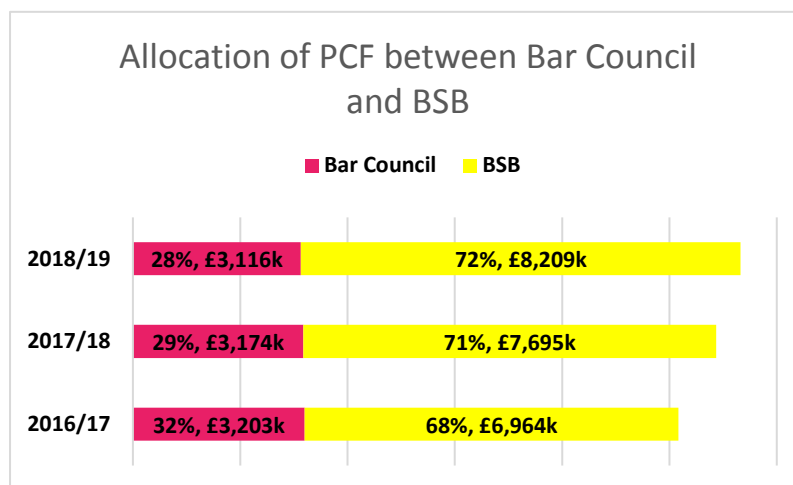
The General Council of the Bar
Financial Statements for the year to
31 March 2019

The operating activities are those day-to-day activities of the Bar Council and BSB. Operating costs were £0.8m higher at £15.3m (2017/18: £14.5m). Staffing costs increased £148k as we incurred additional temporary staff costs. Non-staffing costs rose due to higher legal costs and property project spend. An accrual has been made to reflect the exit costs associated with the cancellation of a photocopier lease of £378k during the 2018/19 period. Furthermore, the increased operating costs were offset by the £456k increase in income from greater PCF collections and a windfall in fees and charges to give an operating deficit of £133k (2017/18 deficit of £64k).

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 £711k was achieved (2017/18: £939k surplus) including the annual payment of £1m towards the defined benefit pension scheme under the agreed recovery plan.

Most income derives from PCF. In 2018/19 £12.72m of PCF was applied to fund the organisation, an increase of £0.1m on the previous year (2017/18: £12.6m). £1m of PCF revenue was attributed to the pension scheme recovery plan (2017/18: £1m). The contribution being met from reserves. The GCB's share of the operating costs of the Legal Services Board and the legal ombudsman in 2018/19 was £791k (2017/18: £758k).

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.

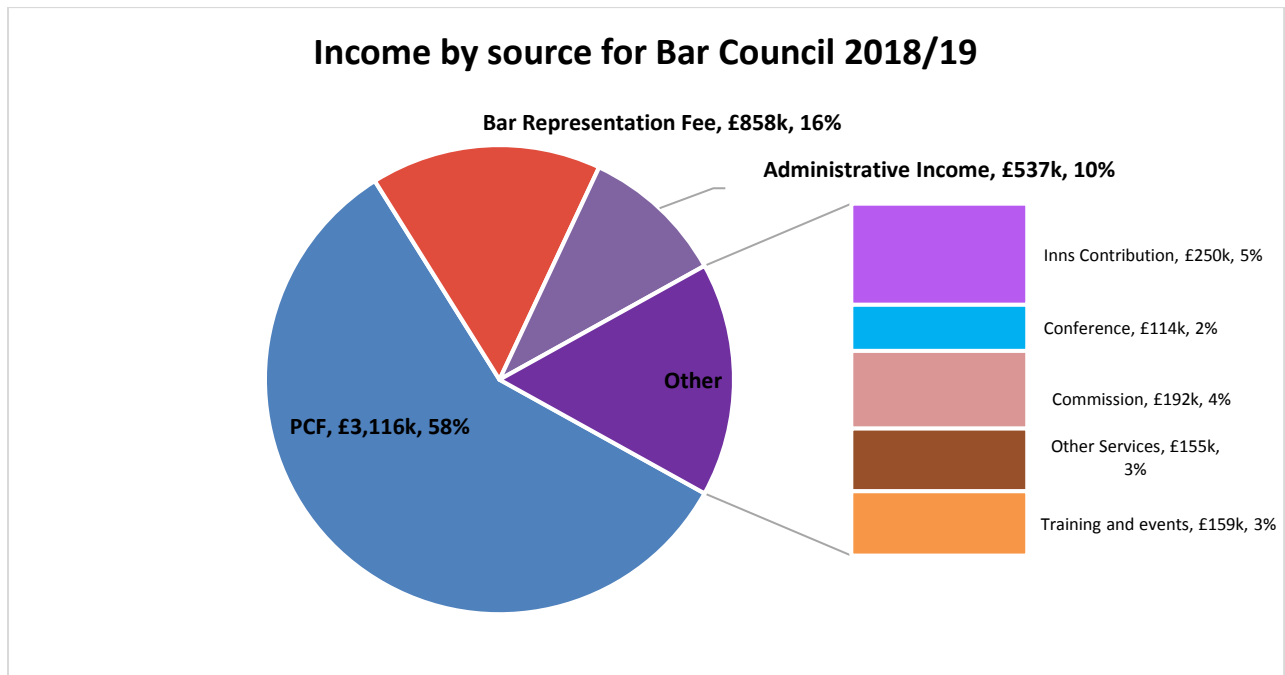


Bar Council

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. 57% of the Bar Council's income is drawn from PCF (2017/18: 61%).

The General Council of the Bar
Financial Statements for the year to
31 March 2019

Total income rose slightly 3.1%, £162k, to £5,433k (2017/18: £5,271k). Income from services to members increased by 8.1% £599k v £554k; a £250k contribution from the Inns of Court was received towards wellbeing and educational activities.



Expenditure increased 2%, £110k to £5,401k (2017/18: £5,291k).

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 7%, £610k to £9,774k (2017/18: £9,164k). Most of this increase came from PCF, £514k, £8,209k from £7,695k. There was a £96k increase in fees and charges revenue from training providers due to the increase in numbers of students undertaking training for the Bar.

Expenditure increased 8%, £731k to £9,939k (2017/18: £9,208k): staffing costs were £147k higher, £4.5m (2017/18: £4.3m). Non-staff costs increased £30k. The remaining increase arose from the proportional share of Resources Group costs £584k.

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 increased 18.7%, £1m, to £6.3m (2017/18: £5.3m) due to higher legal costs, exit costs for the photocopier lease, project costs associated with the planned office lease changes and higher staffing costs.

The General Council of the Bar
Financial Statements for the year to
31 March 2019

Assets, Liabilities and Reserves.

Net assets decreased to £3,872k (2017/18: £4,307k) driven primarily by the asset disposals during the period. The decrease in property, plant and equipment was partially offset by the increase in cash as a result of the timing differences in cash collection.

Fixed Assets decreased by £144k to £2.2m (2017/18: £2.3). This is largely attributable to asset disposals during the period.

The Investment in Subsidiaries remained consistent at £21k. The subsidiary operation, Bar Services Company Ltd had ceased trading at the year-end. This note applies only to the parent balance sheet.

Debtors increased by £559k to £3.3m (2017/18: £2.7m) due to the timing differences in issuing AtP invoices and cash received at year-end.

Cash levels increased to £13.9m (2017/18: £12.4m). The operating activities generated £2,085k and £535k was spent in acquiring fixed assets.

Creditors rose £2,492k to £17.703m (2017/18: £15.2m): increased PCF collections contributed £1,743k. The high level of deferred income, £13.5m, is due to the timing of the collection of PCF and BRF. The fees are collected at the end of the financial year for use by the GCB within the following financial year.

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 (2017/18: £0m).

Reserves

General reserves decreased to £3.1m (2017/18 £3.6m). GCB transferred £110k for legal costs incurred to the legal challenges reserve and £202k 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 (2017/18: £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, query and challenge the risk registers of the Bar Council and BSB.

The General Council of the Bar
Financial Statements for the year to
31 March 2019

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 2018/19, the management team consider that the following risks should be noted:

Key Risk	Mitigating actions
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.	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.
PCF income is difficult to forecast with accuracy and there are threats from potential reductions in the size of the Bar and / or the fees earned.	Bar Council is following a programme of activity that encourages applications to the Bar and growth of new areas of business within the Bar. Economic and other data is reviewed annually to determine the level of the threat.
A failure of cyber and information security safeguards leading to accidental or malicious security breaches.	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.
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.	A funding plan was agreed with the scheme trustees in 2016 to address both the immediate deficit and to build a fund to meet the schemes long term needs. On an ongoing basis independent actuaries review the tracking of key financial indicators to monitor main drivers. Updates are regularly presented to the Audit Committee and senior management.

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

Treasurer

2019

The General Council of the Bar
Financial Statements for the year to 31 March 2019

Consolidated Income Statement by Fund Source

Divisional Results – Note 4a

Note 4b

	Notes	Bar Standards Board		Bar Council		Subtotal Operating Results		Non- Operating Results		Total GCB	
		2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
		£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Practising Certificate Fees	3c	8,209	7,695	3,116	3,174	11,325	10,869	1,396	1,758	12,721	12,627
Inns Contributions		-	-	250	250	250	250	-	-	250	250
Bar Representation Fee Subscriptions		-	-	858	986	858	986	-	-	858	986
Fees, Charges & Services	3a, b	1,565	1,469	1,209	861	2,774	2,330	-	-	2,774	2,330
Interest on Pension Assets	4b	-	-	-	-	-	-	13	-	13	-
Total Income		9,774	9,164	5,433	5,271	15,207	14,435	1,409	1,758	16,616	16,193
Expenditure											
Operating		9,939	9,208	5,401	5,291	15,340	14,499	-	-	15,340	14,499
Non-Operating Expenditure	4b	-	-	-	-	-	-	791	789	791	789
Total Expenditure		9,939	9,208	5,401	5,291	15,340	14,499	791	789	16,131	15,288
Investment gains/(losses)		-	-	-	-	-	-	93	(30)	93	(30)
Surplus / (Loss) Before Taxation		(165)	(44)	32	(20)	(133)	(64)	711	939	578	875
Taxation	8	-	-	-	-	-	-	-	-	-	-
Surplus / (Loss) After Taxation		(165)	(44)	32	(20)	(133)	(64)	711	939	578	875
Analysis of Surplus by Source:											
Permitted Purposes		(165)	(44)	(72)	(16)	(237)	(60)	711	939	474	879
Other		-	-	104	(4)	104	(4)	0	-	104	(4)

The results for the year are all derived from continuing activities. The Notes on pages 18-36 form an integral part of these Statements.

The General Council of the Bar
Financial Statements for the year to
31 March 2019

Consolidated Income Statement by Fund Source (continued)

Surplus / (Deficit) for the year ending Attributable to:

	2019	2018
	£000's	£000's
Surplus / (Deficit) for the Year After Taxation	578	875
	-----	-----
General Council of the Bar Group	582	878
Non-Controlling Interest	(4)	(3)
	-----	-----

Consolidated Statement of Comprehensive Income

	Note	Year to	Year to
		31/03/19	31/03/18
		£000's	£000's
(Deficit)/Surplus for the period		578	875
Actuarial (loss)/gain on Pension Fund	15	(1,013)	356
		-----	-----
Total Comprehensive Income		(435)	1,231
		=====	=====

The Notes on pages 18-36 form an integral part of these Statements.

The General Council of the Bar
Financial Statements for the year to
31 March 2019

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 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
	=====	=====	=====	=====	=====	=====

	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 2017	3,020	(1,325)	609	786	(14)	3,076
Changes in year:						
Surplus for the year	939	(31)	(17)	(13)	(3)	875
Transfer of revaluation reserve	592	-	(592)	-	-	-
Transfer to Pension Reserves	(1,000)	1,000	-	-	-	-
Pension scheme: Actuarial Gain/(Loss)	-	356	-	-	-	356
	-----	-----	-----	-----	-----	-----
Balance: 31 Mar 2018	3,551	-	-	773	(17)	4,307
	=====	=====	=====	=====	=====	=====

The Notes on pages 18-36 form an integral part of these Statements.

The General Council of the Bar
Financial Statements for the year to
31 March 2019

Statements of Financial Position

		Parent		Group	
		31/03/2019	31/03/2018	31/03/2019	31/03/2018
		£000's	£000's	£000's	£000's
Tangible Fixed Assets					
Property, plant and equipment	9	2,153	2,293	2,157	2,301
Investment in Subsidiaries	10	21	21	-	-
Listed Investments	11	1,440	1,393	2,172	2,114
		-----	-----	-----	-----
		3,614	3,707	4,329	4,415
		-----	-----	-----	-----
Current Assets					
Debtors & Prepayments	12	3,317	2,784	3,264	2,705
Cash and cash equivalents Bank		13,826	12,231	13,982	12,398
		-----	-----	-----	-----
		17,143	15,015	17,246	15,103
		-----	-----	-----	-----
Creditors: due within one year	13				
Deferred Income		(13,479)	(11,744)	(13,479)	(11,744)
PCF funded pension contribution		(1,900)	(1,600)	(1,900)	(1,600)
Other Creditors		(2,297)	(1,839)	(2,324)	(1,867)
		-----	-----	-----	-----
Net Current Liabilities		(533)	(168)	(457)	(108)
		-----	-----	-----	-----
Total Assets less Current Liabilities		3,081	3,539	3,872	4,307
		-----	-----	-----	-----
Pensions Liability	15	-	-	-	-
Deferred taxation		-	-	-	-
		-----	-----	-----	-----
Net Assets including Pensions		3,081	3,539	3,872	4,307
		=====	=====	=====	=====
Represented by:					
General Reserve	8	3,081	3,539	3,109	3,551
Pensions Reserve		-	-	-	-
		-----	-----	-----	-----
		3,081	3,539	3,109	3,551
Charitable Trust		-	-	784	773
Non-Controlling Interest		-	-	(21)	(17)
		-----	-----	-----	-----
		3,081	3,539	3,872	4,307
		=====	=====	=====	=====

Approved by the Bar Council on

2019 and signed on its behalf by:

Chair

Treasurer

The General Council of the Bar
Financial Statements for the year to
31 March 2019

Consolidated Statement of Cash Flows

	Year to	Year to
	31/03/19	31/03/18
	£000's	£000's
Reconciliation of Operating surplus to		
Net Cash Flow from operating		
activities:		
Operating (Deficit)/Surplus	578	875
Investment (Gain)/Loss	(93)	30
Pension scheme administration costs 15c	-	8
Net Pension scheme contributions	(1,000)	(1,000)
Pension scheme net interest cost/(income) 15c,4b	(17)	23
Depreciation charge	698	597
(Increase) in Debtors	(559)	(793)
Increase in Creditors	2,477	580
	-----	-----
Net Cash Flow from Operating Activities	2,084	320
Investing activities:		
Purchase of Tangible Fixed Assets	(535)	(930)
Purchase of Listed Investments	(511)	(198)
Sale of Listed Investments	546	198
	-----	-----
Cash Flow from Investing Activities	(500)	(930)
Increase/(Decrease) in Cash and cash	1,584	(610)
equivalents		
Cash and cash equivalents at 1 April	12,398	13,008
	-----	-----
Cash and cash equivalents at 31 March	13,982	12,398
	=====	=====

The Notes on pages 18-36 form an integral part of these Statements.

The General Council of the Bar
Financial Statements for the year to
31 March 2019

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 members of Council consider the Bar Council to be a going concern and have prepared the financial statements on that basis.

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.

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.

The General Council of the Bar
Financial Statements for the year to
31 March 2019

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: 33.3%
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

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

Investment in joint venture

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 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.

The General Council of the Bar
Financial Statements for the year to
31 March 2019

Financial Instruments (continued)

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 2019

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 2019

3. Income

	Year to 31/03/19 £000's	Year to 31/03/18 £000's
3a BSB Regulatory Fees and Charges		
Enforcement & Disciplinary Fines	21	5
Education & Training (including Exams and Assessments)	1,210	1,168
Qualifications	243	211
Entity Regulation	91	85
	-----	-----
Total	1,565	1,469
	=====	=====
3b Bar Council Income		
Training and Seminars	159	185
Conferences	114	82
Commission	192	123
Pupillage Gateway	50	38
Other Services	84	41
Counsel Magazine Royalties	-	85
Investment Income	21	22
Other Income	536	229
	-----	-----
Sub-Total	1,156	805
Income from Subsidiaries	53	56
	-----	-----
Total	1,209	861
	=====	=====

Other Income includes fee income arising from financial administration, printing and meeting room services to third parties.

3c) Non-Operating Income	LSB/OLC Levy		Pension Scheme Contribution		Total	
	Year to 31/03/19 £000's	Year to 31/03/18 £000's	Year to 31/03/19 £000's	Year to 31/03/18 £000's	Year to 31/03/19 £000's	Year to 31/03/18 £000's
Balance at the 1st April	-	-	1,600	1,300	1,600	1,300
Amounts Collected in year	396	758	1,300	1,300	1,696	2,058
Recognised in Non-Operating Income	(396)	(758)	(1,000)	(1,000)	(1,396)	(1,758)
	-----	-----	-----	-----	-----	-----
Balance at the 31st March	-	-	1,900	1,600	1,900	1,600
	-----	-----	-----	-----	-----	-----

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 2019

4a Expenditure – Divisional Expenditure

	Bar Standard 2019		Bar Council 2019		Resources Group 2019		Total GCB	
	2019	2018	2019	2018	2019	2018	2019	2018
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Direct Staffing	4,483	4,336	2,405	2,512	2,100	1,855	8,988	8,702
Other Direct Costs	1,094	1,064	1,000	1,096	4,246	3,491	6,340	5,651
Direct Costs	5,577	5,400	3,405	3,607	6,346	5,346	15,328	14,353
Overhead Allocation	4,347	3,763	1,999	1,583	(6,346)	(5,346)	-	-
Cost of Subsidiaries	-	-	40	62	-	-	40	62
Holiday Pay accrual -								
Prior year	(150)	(105)	(105)	(66)	-	-	(255)	(171)
2018/19 year	165	150	62	105	-	-	227	255
Divisional Operating Costs	9,939	9,208	5,401	5,291	-	-	15,340	14,499

Direct Staff costs include salaries, wages and employment related costs (note 6).

FRS102 Holiday pay accrual is included as a prior year adjustment with the corresponding movement in accrual shown in the current year. Each year's accrual is allocated between divisions according to average headcount.

Resources Group costs are allocated to business areas where business specific costs arise otherwise are apportioned according to average headcount.

4b Non-Operating Expenditure

	Year to 31/03/19 £000's	Year to 31/03/18 £000's
Payments:		
LSB Running Costs	315	289
OLC Running Costs	476	469
Subtotal	791	758
Pension scheme net interest cost	-	23
Other Pension Costs	-	8
	791	789
Recorded as Operating Costs	-	-
Non-Operating Costs	791	789

The General Council of the Bar
Financial Statements for the year to
31 March 2019

5. Operating result

The Operating Result has been arrived at after charging:	Year to	Year to
	31/03/19	31/03/18
	£000's	£000's
Auditors' remuneration:		
Audit fees	33	33
Non-audit services:		
Accounts preparation	2	-
Taxation compliance	5	5
Depreciation	698	597
Operating lease property rentals	603	612

6. Employment costs

	Year to	Year to
	31/03/19	31/03/18
	£000's	£000's
Salaries	6,839	6,624
National Insurance	746	742
DC Pension Contribution	565	483
DB Pension Contribution	1,000	1,000
Other Staff Costs, Temporary Staff & Recruitment	523	455
Termination payments	71	96
	-----	-----
Total Costs of Employment	9,744	9,400
	=====	=====

During the year the Bar Council contributed £1m (2017/18: £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

Total Remuneration level	2019			2018		
	Bar Council	BSB	Total	Bar Council	BSB	Total
£160,000 or greater	1	1	2	2	1	3
£100,000-£119,999	2	-	2	2	1	3
£80,000-£99,999	5	5	10	6	4	10
	=====	=====	=====	=====	=====	=====
Total Remuneration of Key Management Personnel (£000's)	1,110	658	1,768	1,219	643	1,862

The General Council of the Bar
Financial Statements for the year to
31 March 2019

6. Employment costs (continued)

The Chair of the Bar was paid £182,474 (2017/18: £208,189) and the Chair of BSB was paid £91,300 pro rata (2017/18: £89,773).

The Vice-Chair of the Bar was paid £98,804 (2017/18: £92,107). The Vice-Chair of the BSB received £39,522 (2017/18: £36,570).

The Treasurer received £nil remuneration in the year (2017/18: £nil).

The Chair of the Young Bar Committee was paid £20,000 (2017/18: £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 16 to the accounts.

7. 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 2019

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 2017	(367)	-	3,387	3,020
Surplus	943	-	(4)	939
Transfer to Pension Reserve	(1,000)	-	-	(1,000)
Transfer from Revaluation Reserve	-	-	592	592
Transfer to Legal Challenges Reserve	(160)	160	-	-
	-----	-----	-----	-----
Balance at 31 March 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
	=====	=====	=====	=====

*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 Impr'ment	Office Furniture	IT Equipment	Database & Software	Total
	£000's	£000's	£000's	£000's	£000's
Cost					
Balance: 1 April 2018	424	405	705	3,479	5,013
Additions	-	3	33	518	554
Disposals	-	-	-	(170)	(170)
	-----	-----	-----	-----	-----
Balance: 31 March 2019	424	408	738	3,827	5,397
	=====	=====	=====	=====	=====
Depreciation					
Balance: 1 April 2018	335	386	505	1,486	2,712
Charge for the year	87	20	113	478	698
Disposals	-	-	-	(170)	(170)
	-----	-----	-----	-----	-----
Balance: 31 March 2019	422	406	618	1,794	3,240
	=====	=====	=====	=====	=====
Net Book Value					
At 31 March 2019	2	2	120	2,033	2,157
	=====	=====	=====	=====	=====
At 31 March 2018	89	19	200	1,993	2,301
	=====	=====	=====	=====	=====

The General Council of the Bar
Financial Statements for the year to
31 March 2019

9. Property, plant and equipment (continued)

The Group fixed asset values differ to the Parent by £4k due to Property, plant and equipment held by Subsidiary undertakings. Included within the Net Book Value are assets under construction amounting to £177k (2017/18: £1.48m).

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 2019

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 results of the company for the year ending 31 March 2019 are as follows:

	Year to 31/03/19 £000's	Year to 31/03/18 £000's
Trading Income	37	34
Administration Expenses	(17)	(22)
Forgiveness of Group Loan	-	316
	-----	-----
Operating/Profit	20	328
	=====	=====

Bar Council Scholarship Trust

The General Council of the Bar appoints the Trustees of a 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 2019, the net assets of the Trust stood at £783,565 (2017/18: £773,325).

Bar Council Scholarship Trust

The results of the charity for the year ending 31 March 2019 are as follows:

	Year to 31/03/19 £000's	Year to 31/03/18 £000's
Incoming resources	24	22
Charitable activities	(24)	(23)
	-----	-----
Net incoming resources, Before other recognised (deficit)/surplus	-	(1)
	===	===
Bar Council Scholarship Trust	2019	2018
Balance Sheet as at 31 March	£000's	£000's
Investments	732	721
Cash at Bank	73	94
Accruals	(21)	(42)
Net Current Assets	52	52
	----	----
Net Assets	784	773
	===	===

The General Council of the Bar
Financial Statements for the year to
31 March 2019

The Bar Direct Access Portal Limited

(50% acquired August 2015)

	31/03/19	31/03/18
	£000's	£000's
Administration Expenses	(7)	(7)
	-----	-----
Operating (Loss)/Profit	(7)	(7)
	====	====

The shareholders consider this operation a going concern.

Balance Sheet as at 31 March

	2019	2018
	£000's	£000's
Tangible Fixed Assets	4	8
Cash at Bank	7	8
Current Liabilities	(52)	(50)
	-----	-----
Net Current Liabilities	(41)	(34)
	====	====

11. Listed investments

	Parent		Group	
	2019	2018	2019	2018
	£000's	£000's	£000's	£000's
Market Value				
Balance: 1 April	1,393	1,411	2,114	2,144
Additions at cost	398	135	511	198
Disposal proceeds	(420)	(111)	(546)	(198)
Net gains/(losses)	69	(42)	93	(30)
	-----	-----	-----	-----
Balance: 31 March 2019	1,440	1,393	2,172	2,114
	=====	=====	=====	=====
Analysis: Investments	1,387	1,357	2,088	2,057
Cash	53	36	84	57
	=====	=====	=====	=====
Historical Cost	1,371	1,260	2,079	1,873

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

The General Council of the Bar
Financial Statements for the year to
31 March 2019

12. Debtors & prepayments

	Parent		Group	
	2019	2018	2019	2018
	£000's	£000's	£000's	£000's
Trade Debtors	2,299	1,421	2,299	1,421
Accrued Income	104	44	104	44
Prepayments	831	798	831	798
Other Debtors	83	521	30	442
	-----	-----	-----	-----
	3,317	2,784	3,264	2,705
	=====	=====	=====	=====

The amount of trade debtors is stated net after deducting a bad debt provision of £127,050 (2017/18: £47,013).

13. Creditors: due within one year

	Parent		Group	
	2019	2018	2019	2018
	£000's	£000's	£000's	£000's
Deferred Income: PCF	12,775	11,032	12,775	11,032
BRF	704	712	704	712
	-----	-----	-----	-----
Deferred Income	13,479	11,744	13,479	11,744
	=====	=====	=====	=====
PCF funded pension contribution	1,900	1,600	1,900	1,600
	=====	=====	=====	=====
Trade Creditors	535	393	535	393
Accruals	969	713	975	762
Pension contributions	70	50	70	50
PAYE & Social Security	211	210	211	210
VAT	36	26	36	26
Sundry Creditors	476	447	497	426
	-----	-----	-----	-----
Other Creditors	2,297	1,839	2,324	1,867
	=====	=====	=====	=====

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.

The General Council of the Bar
Financial Statements for the year to
31 March 2019

14. Commitments

(a) As at 31 March 2019, the Bar Council had non-cancellable commitments for operating leases as follows:

	Land & Buildings	
	2019	2018
	£000's	£000's
Expiring: Within 1 year	-	741
	-----	-----

The gross property rental charge for the period was £603,000 (2017/18: £612,000).

Subsequent to the reporting date, the Bar Council entered into operating leases for property rental with terms expiring between 2020 and 2034, with a total commitment over the lease terms of £8.3m.

(b) As at 31 March 2019, the Bar Council had capital commitments of £Nil (2017/18: £Nil).

15. Defined Benefit Pension Scheme

The GCB operated a final salary defined benefit pension plan through The General Council of the Bar Pension and Life Assurance Fund. The scheme closed to new members in July 2006 and closed to accrual for current service on 28 February 2013. The Council 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 2015 and it was agreed that the Employer would pay contributions of £1.0 million each April from 1 October 2016 to 30 September 2020. The next actuarial valuation of the Fund is due as at 30 September 2018 and a revised deficit reduction plan will be considered as part of this exercise. The Employer paid the 2018/19 contributions of £1.0 million to the defined benefit pension fund in April 2018. Contributions to the Fund for the year beginning 1 April 2019 are expected to be £1.0 million.

A full actuarial valuation of the defined benefit scheme was carried out as at 30 September 2018, under scheme specific funding regulations. This has been updated to 31 March 2019 and to the revised FRS102 standards by a qualified independent actuary.

This update shows the scheme to be in surplus at £1,626k (2017/18: £158k). The most significant contribution towards this change was the £1m contribution from the sponsor into the scheme in April 2018 under the recovery plan. In addition, the return on assets was greater than the interest cost.

The General Council of the Bar
Financial Statements for the year to
31 March 2019

15. Defined Benefit Pension Scheme (continued)

(a) Assumptions:

The major financial assumptions used by the actuary were:

	2019	2018
Rates per annum:	%	%
Inflation (CPI)	2.15	2.10
Salary increases	N/A	N/A
Discount Rate	2.40	2.50
Pension in payment increases (CPI, max 5%, Min 3%)	3.10	3.10
Proportion of employees opting for early retirement		-
Revaluation rate for deferred pensions	5.00	5.00

The mortality assumptions adopted imply the following life expectancies:

	2019	2018
Male retiring at age 65 today	22.0	22.5
Female retiring at age 65 today	24.2	24.7
Male retiring at age 65 in 20 years	23.2	23.6
Female retiring at age 65 in 20 years	25.4	25.8

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	0.0010	0.0006
- 40	0.0023	0.0014
- 50	0.0037	0.0023
- 60	0.0054	0.0036

The General Council of the Bar
Financial Statements for the year to
31 March 2019

15. Defined Benefit Pension Scheme (continued)

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

	2019	2018
	£000's	£000's
Fair value of scheme assets: see (e) below	27,108	24,803
Present value of scheme liabilities: see (d) below	(25,482)	(24,645)
	-----	-----
Surplus in scheme	1,626	158
	-----	-----
Asset to be recognised	-	-
	-----	-----

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

	2019	2018
	£000's	£000's
Income		
Interest Income	(632)	(632)
	=====	=====
Expenditure		
Interest Cost	615	655
	-----	-----
Total recognised in Consolidated Income Statement	(17)	23
	=====	=====
Actual return/(loss) on scheme assets	1,378	914

Administration expenses of £Nil (2017/18: £8,000) were paid from scheme assets during the accounting period to 31 March 2019.

The General Council of the Bar
Financial Statements for the year to
31 March 2019

15. Defined Benefit Pension Scheme
(continued)

	2019	2018
(d) Amounts reported under the Statement of Other Comprehensive income are as follows:		
	£000's	£000's
Return on Scheme Assets excluding amounts included in interest expense/income	746	282
Re-measurement gains/(losses) on the defined benefit obligation - experience	(77)	211
Re-measurement gains/(losses) on the defined benefit obligation – changes in assumptions	(218)	21
Surplus Withheld – no cash benefit arising from reduction in or return of contributions	(1,464)	(158)
	-----	-----
Re-measurement gains/(losses) recognised in other comprehensive income	(1,013)	356
	=====	=====

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

	2019	2018
	£000's	£000's
Scheme Liabilities: 1 April	24,645	24,291
Interest expense	615	655
Actuarial (gain)/loss	295	(232)
Benefits paid & Life Assurance Premium	(73)	(69)
	-----	-----
Scheme Liabilities: 31 March	25,482	24,645
	=====	=====

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 2019

15. Defined Benefit Pension Scheme (continued)

	2019	2018
	£000's	£000's
Scheme Assets: 1 April	24,803	22,966
Interest Income	632	632
Return on Scheme assets excluding amounts included under interest expense/income	746	282
Employer Contributions	1,000	1,000
Administration fee paid from Scheme assets	-	(8)
Benefits paid & Life Assurance Premium	(73)	(69)
	-----	-----
Scheme Assets: 31 March	27,108	24,803
	=====	=====

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

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

	2019	2018
	%	%
Equities	10.7	12.9
Bonds	86.2	75.0
Cash	3.1	11.7
With Profits Fund	0.0	0.4
	-----	-----
Total Assets	100.0	100.0
	-----	-----

16. 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 four bodies of £122,492 (2018 - £98,054).

The General Council of the Bar
Financial Statements for the year to
31 March 2019

16. Related party transactions (continued)

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 2019 of £25,000 plus VAT (2017/18: £25,000 plus VAT).

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 £6,315 (2017/18: £2,451).

The General Council of the Bar
Financial Statements for the year to
31 March 2019

For information only: this report does not form part of the audited Financial Statements

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 2019, 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 2019

For information only: this report does not form part of the audited Financial Statements

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: **2019**

The General Council of the Bar
Financial Statements for the year to
31 March 2019

Statement under s.51 Legal Services Act 2007

	2018/19		Analysis of Spend			Funded By					Income	Surplus / (Deficit)
	Spend	Costs	Spend	Purposes	Purpose	Direct	Inns	BRF	Other	PCF (P.P. only)		
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Expenditure/Costs:												
(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	(0)
	(5,578)	(4,361)	(9,939)	(9,939)	-	1,565	-	-	-	8,209	9,774	(165)
(B) Representation (BC)												
Approved Regulator: Corp.	(858)	(351)	(1,209)	(1,088)	(121)	338	-	-	-	888	1,226	17
Donations:	(244)	0	(244)	(244)	0	-	-	-	-	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)	0	(120)	(120)	-	-	-	-	-	120	120	0
Communications	(430)	(336)	(766)	(575)	(191)	-	14	147	-	576	737	(29)
Movement in holiday accrual		42	42	28	14	-	-	(14)	-	-28	-42	0
	(2,807)	(1,411)	(4,218)	(3,790)	(428)	598	250	182	-	3,116	4,146	(72)
(C) Services to the Bar:	(597)	(546)	(1,143)	-	(1,143)	559	-	676	-	-	1,235	92
Bar Council (B) & (C)	(3,404)	(1,957)	(5,361)	(3,790)	(1,571)	1,157	250	858	-	3,116	5,381	20
Principal Activities	(8,982)	(6,318)	(15,300)	(13,729)	(1,571)	2,722	250	858	-	11,325	15,155	(145)
Subsidiary organisations		(40)	(40)		(40)	52	-	-	-	-	52	12
GCB Operating Activities	(8,982)	(6,358)	(15,340)	(13,729)	(1,611)	2,774	250	858	-	11,325	15,207	(133)
Non Operating Activities			(791)	(791)	-	-	-	-	106	1,396	1,502	711
Total as per Income Statement (before Tax)			(16,131)	(14,520)	(1,611)	2,774	250	858	106	12,721	16,709	578

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