

The Solicitors' Benevolent Association

Directors' Report and Financial Statements

For the financial year ended 30 November 2020

The Solicitors' Benevolent Association
Financial Statements for the financial year ending 30 November 2020

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The Solicitors' Benevolent Association

Financial Statements for the financial year ending 30 November 2020

DIRECTORS AND ADMINISTRATIVE INFORMATION

Directors:

Thomas A. Menton (Chairperson)
Felicity M. Foley (Deputy Chairperson)
Denis J. Barror (Dublin) Appointed 8/06/2020
Caroline Boston (Belfast)
Paul Brady (Navan) Appointed 6/07/2020
Andrew J. Cody (Newbridge) Appointed 6/07/2020
Liam Coghlan (Killarney)
Thomas W. Enright (Birr)
Ivan Feran (Drogheda) Appointed 9/12/2019
Rosemary Gantley (Bray) Appointed 6/07/2020
William B. Glynn (Galway)
John Guerin (Belfast)
Colin G. Haddick (Newtownards)
Siun Hurley (Bantry)
Niall Lavery (Dundalk)
Seamus Mallon (Castleblayney)
Paul Malone (Borrisokane)
Anne Murran (Waterford)
John M. O'Connor (Dublin) Resigned 20/04/2020
Tim O'Driscoll (Dublin) Appointed 14/9/2020
John T. D. O'Dwyer (Ballyhaunis)
Mark Quinn (Gorey)
James I. Sexton (Limerick)
Sean Sexton (Dublin)
Andrew F. Smyth (Dublin) Resigned 14/9/2020
Brendan J. Twomey (Donegal)
Thomas WJG Williams (Kilrush) Appointed 6/7/2020

Executive Trustees:

Thomas A. Menton
Felicity M. Foley
John M O'Connor Resigned 20/4/20
Sean Sexton
Brendan J. Twomey Appointed 6/07/2020

Secretary:

Geraldine Pearse

Charity registration number:

CHY 892

Charities Regulatory Authority number:

2001438

Auditors:

BDO,
Statutory Audit Firm,
Beaux Lane House,
Mercer Street Lower,
Dublin 2.

Financial Consultants:

Brewin Dolphin Wealth Management Ltd
3 Richview Office Park
Clonskeagh
Dublin 14

The Solicitors' Benevolent Association

Financial Statements for the financial year ending 30 November 2020

DIRECTORS AND ADMINISTRATIVE INFORMATION (CONTINUED)

Bankers:

Allied Irish Banks plc,
37 Upper O'Connell Street
Dublin 1
D07 VY24

Allied Irish Banks plc
University Road
Belfast
BT7 1ND

Offices of the Association:

The Law Society of Ireland
Blackhall Place
Dublin 7
D07 VY24

The Law Society of Northern Ireland
Law Society House
96 Victoria Street
Belfast BT1 3GN

The Solicitors' Benevolent Association

Financial Statements for the financial year ending 30 November 2020

DIRECTORS' ANNUAL REPORT

The Directors prepare their annual report and the audited financial statements for the financial year ended 30 November 2020.

Objectives and Activities

The Solicitors' Benevolent Association (the Association) is an all-Ireland body which was established in 1863 to provide relief, aid and advice to members of the Association, to current or former members of the solicitors' profession in Ireland, and to their dependents whose life circumstances may have brought them into any material need, for any reason. Dependents include spouses, partners and children. In special circumstances, the Directors may, at their discretion, include other related persons as dependents.

Applications for assistance are considered by the Board who may decide to provide financial assistance in the form of monthly payments or occasional grants. Where there are realisable assets the Board may provide such financial assistance by way of loan.

The Association's main income derives from annual voluntary subscriptions paid by members of the solicitors' profession in both the Republic of Ireland and Northern Ireland. Income is also derived from donations, legacies, repayment of grants and fundraising activities. Additional income is derived from investment income, profits arising on the disposal of investments, bank interest, currency gain and recoverable tax.

The Association while acknowledging the cooperation and assistance of both the Law Society of Ireland and the Law Society of Northern Ireland, operates independently of both Societies.

Achievements and Performance

During the year grants totalling €904,555 (2019: €756,168) were made towards the support and maintenance of 86 people in need. Beneficiaries ranged in age from 23 to 100 years. In addition to those directly in receipt of grants, 29 of those had children under 18 years of age or in full-time education. The total number of children indirectly assisted was 65.

Grants are provided in the majority of cases to cover living expenses but were also made to cover costs such as education and medical treatment.

The work of the Association was facilitated by the continued support of the members of the solicitors' professions, North and South, both Law Societies, Bar Associations and by individuals and firms. The Board and beneficiaries wish to express thanks for their continuing donations and support.

The reserves of the Association at 30 November 2020 were €2,506,792 (2019: €2,483,356). The target reserves of the Association are €1,500,000. Reserves are held in the event there may be a reduction in income in any given year such that the Association is unable to fulfil its stated objective of providing assistance to members in need. The Association's investment policy is consistent with its policy of retaining reserves in the long term and is in line with the recommended risk category of investments for charities. Investments are managed by an investment management company.

The market value of the investments was €1,942,712 at 30 November 2020 compared to €2,027,908 at the beginning of that financial year. The resulting net movement in funds was a deficit of €85,196 (2019: surplus €187,092).

This deficit was not unexpected. Significant events which had a downward effect on global markets in 2020 were Brexit and the Covid-19 pandemic.

The Solicitors' Benevolent Association

Financial Statements for the financial year ending 30 November 2020

DIRECTORS' ANNUAL REPORT (CONTINUED)

Financial Review

Subscriptions received from members in the financial year were €947,466, an increase of €83,631 on the previous year (2019 €863,835). Other donations totalled €116,418 (2019: €134,539). When these and other income are taken into account total income was €1,126,898 (2019: €1,091,296).

In 2018 following an operating deficit for a number of years it was decided to increase the voluntary subscription from €50 (£30 in Northern Ireland) to €100 and £100 respectively. The deficit was attributable to a doubling in the number of beneficiaries over a ten-year period and a subscription which had remained unchanged during that period. The deficit had resulted in a pro rata reduction in all grants. It is a tribute to members that the increase in the voluntary subscription did not result in a decrease in total subscriptions but a doubling of income. This enabled the Association to restore its reserves from which it had drawn in recent years and provide assistance to a greater number of applicants and when considered necessary, an increase in the amount of grants to some beneficiaries.

The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland, issued by the Financial Reporting Council and with reference to the recommendations of the revised Statement of Recommended Practice (SORP) Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Plans for Future Periods

The Association will continue to provide financial assistance to members and their families who are in need. The Association however acknowledges the risks associated with the global pandemic Covid-19 and the impact it may have on the Association's finances. The current financial situation will likely result in an increase in calls for assistance from members and may also impact the donation levels from members. While it is difficult to anticipate the impact of the pandemic the Directors are confident that with the ongoing support of its members and other donors the Association has adequate resources to continue its operations for at least the next 12 months but also for the foreseeable future.

Structure, Governance and Management

The Association is registered with the Charities Regulator (RCN 20001438) and is a body approved by the Revenue Commissioners for purposes of the Charities Donations Scheme (CHY 892).

Following the introduction of the Charities Governance Code the Association conducted a comprehensive review of its governance structures during the year, with the assistance of The Governance Company, in order to comply with the Code.

Following this review new Rules of the Association which were approved by the Charities Regulator were formally adopted by the Association. These Rules are published on the Association's website www.solicitorsbenevolentassociation.com.

The Board of the Association consists of 25 Directors, 3 of whom reside in Northern Ireland, who provide their services entirely on a voluntary basis. The Rules require a minimum of 16 Directors. Directors are elected at the AGM or co-opted to the Board during the year whenever a vacancy arises. The composition of the Board is kept under regular review to ensure geographical spread over all 32 counties. In the past year 7 new Directors were appointed. To be elected or co-opted to the Board of Directors, an applicant must be nominated by 2 members and if co-opted during the year shall be eligible for re-election at the AGM.

The Solicitors' Benevolent Association

Financial Statements for the financial year ending 30 November 2020

DIRECTORS' ANNUAL REPORT (CONTINUED)

Structure, Governance and Management (continued)

Directors must sign a Charity Trustee Declaration which is furnished to the Charities Regulator and must provide a written agreement to abide by the Association's Code of Conduct. They must also abide by the Association's Conflict of Interests and Loyalties Policy which require that they declare any such conflict which may arise.

The Board meets on a monthly basis and reviews grants and considers new applications. The financial position of the Association is also reviewed at these meetings. Meetings were held in the offices of the Law Society, Blackhall Place until the restrictions on in-person meetings were introduced in March 2020 and meetings have since been held on-line.

A board of 4 Executive Trustees appointed by the Directors oversees the management of the Association's investments with the assistance of an investment management company. The invested funds and any other property of the Association is vested in the Executive Trustees who may, with the consent of the Board of Directors, have the investments or other property inscribed in the name of a nominee company approved by the Directors, but so that full control of the investments and property remains at all times in the Board of the Association.

The Association does not have employees. The services of the Secretary and book-keeper are provided on a monthly invoice basis. All payments by the Association are by cheque requiring 2 signatures, which enables the Board to operate strict controls over expenditure. The Association does not use credit cards or have cash transactions.

The accounts of the Association are audited annually and are published on its website www.solicitorsbenevolentassociation.com.

Acknowledgements

The Association is fortunate to have the co-operation of both Law Societies, North and South, in the collection of the voluntary subscription which is paid with the fee for the annual practising certificate. These subscriptions comprise its main source of income. This very valuable service enables the Association to operate at minimum cost and to provide an increased level of assistance to all those in need.

The Association expresses its thanks in particular to Michele O'Boyle, Past President of the Law Society of Ireland, Rowan White, Past President of the Law Society of Northern Ireland, Ken Murphy, past Director General, David A. Lavery, Chief Executive and the personnel of both Societies.

The Association expresses its appreciation in particular to those who contributed to the Association when applying for their practising certificates, to those who made individual contributions and to the following:

Law Society of Ireland
Law Society of Northern Ireland
Dublin Solicitors' Bar Association
Courts Service
Faculty of Notaries Public in Ireland
Limavady Solicitors' Association
Mayo Solicitors Bar association
Midland Solicitors Bar Association
Sheriffs' Association
Southern Law Association
Waterford Law Society

The Solicitors' Benevolent Association

Financial Statements for the financial year ending 30 November 2020

DIRECTORS' ANNUAL REPORT (CONTINUED)

Acknowledgements (Continued)

The Directors note, with deep regret, the death in August of their colleague John O'Connor, who was a Director, Trustee and a former Chairman of the Association for many years and who during that time gave up his time and energy in furthering the aims of the Association. His kindness and courtesy will long be remembered by those with whom he came in contact, both as a colleague, a friend and as an able representative of the Association.

The Directors extend heartfelt thanks to Andrew Smyth who also served as Director, Trustee, and former Chairman of the Association for many years. He gave special attention to the needs of beneficiaries and organized many fundraising events. The Directors extend their best wishes to him for a happy retirement.

Going Forward

The demands on the Association are rising due to the COVID-19 pandemic and the resulting economic difficulties. To cover these greater demands additional subscriptions will be more than welcome as will legacies and the proceeds of any fundraising events. Donors are reminded that in certain cases the Association can claim tax relief on donations of €250 or more. Bar Associations are encouraged to donate funds raised from CPD courses and other functions. Members are urged when making their own wills to leave a legacy to the Association for which the appropriate wording can be found at Page 34 of the Law Directory 2020. Subscriptions and donations will be received by any of the Directors or by the Secretary, from whom all information may be obtained at 73 Park Avenue, Dublin 4. Further information can also be obtained from the Association's website www.solicitorsbenevolentassociation.com.

Going Concern

The Directors have considered the forecast for the next 12 months from the date of approval of these financial statements and are satisfied that with the income already received for subscriptions in 2021 and the amount of its reserves, and while allowing for an anticipated increase in applications for assistance due to the current Covid-19 pandemic, the Association has adequate resources to continue its operations for the foreseeable future.

Events since the Financial Year End

A Special General Meeting was held on 21 December 2020 at which new Rules of the Association were adopted. The new Rules can be viewed at www.solicitorsbenevolentassociation.com.

In compliance with the Charities Governance Code the Compliance Record Form was completed and approved by the Directors.

The Directors noted with regret the death of Colm Price who had served as Director of the Association for many years.

Mark Quinn resigned as Director and Kate Breen was appointed Director.

Reserves

The reserves of the Association at 30 November 2020 were €2,506,792, (2019: €2,483,356). The target reserves of the Association are €1,500,000 to cover two years' worth of expenditure. Surpluses above the targeted reserves are maintained for the purpose of funding future applications for grants.

The Solicitors' Benevolent Association

Financial Statements for the financial year ending 30 November 2020

DIRECTORS' ANNUAL REPORT (CONTINUED)

Principal Risks and Uncertainties

Due to the unprecedented situation arising as a result of the Covid 19 pandemic it is difficult to forecast the economic consequences and the resultant effect on the numbers of new applications for assistance and also for projected investment income. An increase in the number of applications for assistance is anticipated on cessation of government pandemic income supports currently due to expire in June 2021.

Due to the amount of voluntary subscriptions already received no significant reduction in that income source is anticipated.

Auditors

The auditors, BDO, Statutory Audit Firm, were appointed during the period and have expressed their willingness to continue in office.

This report was approved by the board and signed on its behalf by:

Thomas A. Menton
Director

Felicity M. Foley
Director

Date: 12 May 2021

The Solicitors' Benevolent Association

Financial Statements for the financial year ending 30 November 2020

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Directors to prepare financial statements for each financial year. The directors have elected to prepare the financial statements in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council. The Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Association and of the incoming resources and application of resources, including the income and expenditure, of the Association for that year.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Association's transactions and disclose with reasonable accuracy at any time the financial position of the Association. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Association's website. Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the board:

Thomas A. Menton
Director

Felicity M. Foley
Director

Date: 12 May 2021

The Solicitors' Benevolent Association

Financial Statements for the financial year ending 30 November 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SOLICITORS' BENEVOLENT ASSOCIATION

Report on the audit of the financial statements

We have audited the financial statements of The Solicitors' Benevolent Association for the financial year ended 30 November 2020, which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including the summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the financial statements is FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Association as at 30 November 2020 and of its result for the year then ended; and
- have been properly prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) 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 Association in accordance with the ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standards issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), 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

We have nothing to report in respect of the following matters in relation to which the ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Association'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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SOLICITORS'
BENEVOLENT ASSOCIATION - CONTINUED**

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement, the directors 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 the directors 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 directors are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

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 (Ireland) 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.

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SOLICITORS'
BENEVOLENT ASSOCIATION - CONTINUED**

Auditor's responsibilities for the audit of the financial statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditors' report. However, future events or conditions may cause the Association to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Association's members, as a body. Our audit work has been undertaken so that we might state to the members of the Association those matters that we are required to state to them in an independent auditors' 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

John O'Callaghan
For and on behalf of
BDO
Dublin
Statutory Audit firm
AI223876

Date: 12 May 2021

The Solicitors' Benevolent Association
 Financial Statements for the financial year ending 30 November 2020

STATEMENT OF FINANCIAL ACTIVITIES

Incorporating the Income and Expenditure Account

For the year financial ended 30 November 2020

	Notes	Unrestricted Funds 2020 €	Total 2019 as restated €
INCOME FROM			
Subscriptions, Donations and Legacies	3a	1,070,384	1,025,845
Investments	3b	<u>56,514</u>	<u>65,451</u>
TOTAL INCOME		1,126,898	1,091,296
EXPENDITURE ON:			
Raising funds – investment funds	4a	8,567	8,145
Charitable activities	4b	<u>961,821</u>	<u>796,775</u>
TOTAL EXPENDITURE		970,388	804,920
NET INCOMING RESOURCES		156,510	286,376
NET GAINS ON INVESTMENTS	5	<u>(133,074)</u>	<u>206,210</u>
NET SURPLUS		23,436	492,586
FUND BALANCES AT START OF FINANCIAL YEAR	9	<u>2,483,356</u>	<u>1,990,770</u>
FUND BALANCES AT END OF FINANCIAL YEAR		<u>2,506,792</u>	<u>2,483,356</u>

All activities relate to continuing activities.

There are no recognised gains and losses other than as stated above.

Signed on behalf of the board:

Thomas A. Menton
 Director

Felicity M. Foley
 Director

Date: 12 May 2021

The notes on page 17 to 24 form part of these Financial Statements.

The Solicitors' Benevolent Association
 Financial Statements for the financial year ending 30 November 2020

BALANCE SHEET

At 30 November 2020

	Notes	2020 €	2019 As Restated €
FIXED ASSETS			
Financial Investments	5	1,942,712	2,027,908
		<u>1,942,712</u>	<u>2,027,908</u>
CURRENT ASSETS			
Receivables	6	59,490	47,800
Cash and cash equivalents	7	676,443	467,728
		<u>735,933</u>	<u>515,528</u>
CREDITORS			
(Amount falling due within one financial year)	8	171,853	60,080
		<u>564,080</u>	<u>455,448</u>
NET CURRENT ASSETS		<u>564,080</u>	<u>455,448</u>
TOTAL NET ASSETS		<u>2,506,792</u>	<u>2,483,356</u>
FUNDS			
General fund	9	2,506,792	2,483,356
TOTAL FUNDS		<u>2,506,792</u>	<u>2,483,356</u>

The financial statements were approved and authorised for issue by the board:

Thomas A. Menton
 Director

Felicity M. Foley
 Director

Date: 12 May 2021

The notes on page 17 to 24 form part of these Financial Statements.

The Solicitors' Benevolent Association
Financial Statements for the financial year ending 30 November 2020

CASH FLOW STATEMENT

For the financial year ended 30 November 2020

		2020	2019
		€	€
	Notes		
Net cash inflow from operating activities		30,502	415,330
<u>Return on investments:</u>			
Deposit interest income	3b	69	32
Cash Flow from investing activities			
<u>Capital expenditure:</u>			
Financial assets remeasurement at fair value	5	178,144	(121,175)
INCREASE IN CASH		208,715	294,187

RECONCILIATION OF NET CASH FLOW

Increase in cash		208,715	294,187
Bank balances at beginning of financial year		467,728	173,541
BANK BALANCES AT END OF FINANCIAL YEAR	7	676,443	467,728

RECONCILIATION OF NET INCOMING/(OUTGOING) RESOURCES TO CASH INFLOW FROM OPERATING ACTIVITIES

		2020	2019
		€	€
Net Incoming Resources		23,436	492,586
Deposit interest income	3b	(69)	(32)
Other movements on investment		(47,878)	19,118
Realised (Loss)		(45,070)	(85,035)
(Increase) in amounts owed by related parties		(11,690)	(7,800)
Increase/(Decrease) in Creditors	8	111,773	(3,507)
Net cash inflow from operating activities		30,502	415,330

The notes on page 17 to 24 form part of these Financial Statements.

The Solicitors' Benevolent Association

Financial Statements for the financial year ending 30 November 2020

NOTES TO THE FINANCIAL STATEMENTS

1. General Information

These financial statements comprising the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and related notes constitute the individual financial statements of The Solicitors' Benevolent Association for the year ended 30 November 2020. The Association is a Public Benefit Entity.

2. Accounting Policies

2.1 Basis of Accounting

The financial statements have been prepared under the historical convention and in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), with reference to the recommendations of the revised Statement of Recommended Practice (SORP) Accounting and Reporting by Charities: Statement of Recommended Practice, applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Information on the first time adoption of FRS 102 is given in note 13.

The following principal accounting policies have been applied:

2.2 Going Concern

The Directors have considered the forecast for the next 12 months from the date of approval of these financial statements and are satisfied that with the income already received for subscriptions in 2021 and the amount of its reserves, and while allowing for an anticipated increase in applications for assistance due to the current Covid-19 pandemic, the Association has adequate resources to continue its operations for the foreseeable future.

2.3 Income

All income is included in the Statement of Financial Activities when the Association is legally entitled to the income, receipt is probable, and the amount can be quantified with reasonable accuracy.

Donations are accounted for when received.

Subscriptions are accounted for on a receivable basis.

Legacies are recognised at the earlier of the Association being notified of an impending distribution or the legacy being received.

Repayment of grants relate to grants previously issued from the Association, which have been repaid by the grantee. These amounts are recognised on receipt.

Income from Investments relates to dividends and distributions received from the financial assets. This income is recognised on receipt and is reported gross without the deduction of management fees.

2.4 Expenditure

All expenditure is accounted for on an accruals basis. All costs are directly attributable to the activity of the Association.

Grants are recognised when the payment has been made.

NOTES TO THE FINANCIAL STATEMENTS – continued

2.5 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Statement of Financial Position date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'net gains on investments' in the Statement of Financial Activities.

This represents a change in accounting policy on transition to FRS 102 where fixed financial investments were previously recognised at cost less provision for any permanent diminution in value. The impact of this change in accounting policy has been disclosed in note 13.

2.6 Receivable

Short-term receivables are measured at transaction price, less any impairment (a financial asset recorded at amortised cost).

Receivables include a secured loan to a beneficiary, which was approved by the board. The loan is repayable on demand.

2.7 Cash

Cash is represented by cash in hand and deposits with financial institutions. This is a financial asset recorded at amortised cost.

2.8 Creditors

Short-term creditors are measured at the transaction price (a financial liability measured at amortised cost).

Creditors relates to proceeds of bequests to beneficiaries, who could not be identified. All amounts are repayable on demand.

2.9 Financial Instruments

The Association only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities, like other receivables and payables. Basic financial instruments are recorded at transaction price.

2.10 Foreign Currencies

The financial statements are expressed in Euro (€). Transactions in foreign currencies are recorded at the rate ruling at the date of the transactions. The resulting monetary assets and liabilities are translated at the balance sheet rate or the contracted rate and the exchange differences are recorded in the Statement of Financial Activities.

2.11 Taxation

The Association, registered charity number 20001438, is exempt from taxation on income under Section 207 of the Taxes Consolidation Act 1997, as it is established for charitable purposes.

NOTES TO THE FINANCIAL STATEMENTS – continued

2.12 Judgments & Estimates

The Directors do not consider there to be any significant judgements that affect the application of policies and reported amounts of assets, liabilities, income and expenditure.

2.13 Reserves

The reserves of the Association at 30 November 2020 were €2,506,792 (2019 €2,483,356). The target reserves of the Association are €1,500,000 to cover two years' worth of expenditure. Surpluses above the targeted reserves are maintained for the purpose of funding future applications for grants.

The Solicitors' Benevolent Association
Financial Statements for the financial year ending 30 November 2020

NOTES TO THE FINANCIAL STATEMENTS – continued

3a. Donations & Legacies

	2020	2019
	€	€
Donations	116,418	134,539
Subscriptions	947,466	863,835
Repayment of Grants	6,500	5,665
Legacies	-	21,806
	<u>1,070,384</u>	<u>1,025,845</u>

3b. Investments

	2020	2019
	€	€
Income earned on Investments	56,445	65,419
Bank Interest	69	32
	<u>56,514</u>	<u>65,451</u>

Subscriptions

Subscriptions receivable from the Law Society of Ireland were €789,592 and the Law Society of Northern Ireland were €157,874.

Grants

Grants are decided on a monthly basis and are not for a fixed term. They may be increased, decreased or discontinued at any time.

4a. Expenditure on Raising Funds

	2020	2019
	€	€
Investment Management Fee	8,567	8,145
	<u>8,567</u>	<u>8,145</u>

4b. Expenditure on Charitable Activities

	2020	2019
	€	€
Secretary Fees	37,300	37,100
Grants Paid	904,555	756,168
Bank Interest & fees	1,262	1,379
General Expenses	18,704	2,128
	<u>961,821</u>	<u>796,775</u>

All grants paid during the year were to individuals.

1,040 grants were paid during the financial year to 86 individuals (2019: 1,000 grants to 85 individuals).

The grants relate to the purpose of the Association to provide relief, aid and advice to Members of the Association, to current or former members of the solicitors' profession in Ireland, and to their dependents whose life circumstances may have brought them into poverty or any material need, through any cause.

There are no employees in the Association and therefore there were no salary costs in the year (2019: Nil).

The Solicitors' Benevolent Association
Financial Statements for the financial year ending 30 November 2020

NOTES TO THE FINANCIAL STATEMENTS – continued

4b. Expenditure on Charitable Activities (continued)

Key management remuneration

Key management refers to the directors of the Association. The directors did not receive any remuneration from the Association in 2020 or 2019. There were no director expenses in 2020 or 2019.

Governance Costs

Governance costs include the secretary fees as identified above and an expense relating to a governance review of €7,381 (2019: Nil).

5. Financial assets

	2020	2019
	€	€
Market Value at 01/12	2,027,908	1,840,816
Reversal of provision		(40,017)
Income Earned	56,445	65,419
Management Fee	(8,567)	(8,145)
Realised Gain/(Loss)	45,070	85,035
Unrealised Gain/(Loss)	(178,144)	121,175
Other movements		(36,375)
Market Value at 30/11	<u>1,942,712</u>	<u>2,027,908</u>

The fair value of listed securities was determined by reference to quoted market prices at the reporting date.

The cost of these investments on acquisition was €1,331,318 (2019: €1,105,450).

6. Debtors (amounts falling due within one financial year)

	2020	2019
	€	€
Amount due from a related party	39,490	27,800
Loan due to the Association	<u>20,000</u>	<u>20,000</u>
	<u>59,490</u>	<u>47,800</u>

The loan due to the Association relates to a secured loan to a beneficiary, which was approved by the board.

All receivables are interest free and repayable on demand.

7. Cash and cash equivalents

	2020	2019
	€	€
Cash and cash equivalents	<u>676,443</u>	<u>467,728</u>
	<u>676,443</u>	<u>467,728</u>

The Solicitors' Benevolent Association
Financial Statements for the financial year ending 30 November 2020

NOTES TO THE FINANCIAL STATEMENTS – continued

8. Creditors (amounts falling due within one financial year)

	2020	2019
	€	€
Bequests from unidentified beneficiaries	171,853	60,080
	<u>171,853</u>	<u>60,080</u>

Creditors relates to proceeds of bequests to beneficiaries, who could not be identified.

All amounts are repayable on demand.

9 (a) Movement in Funds

	At start of year 2020	Incoming Resource 2020	Outgoing Resource 2020	Unrealised/ Realised Gain	At end of year 2020
	€	€	€	€	€
Unrestricted Funds	2,483,356	1,126,898	(970,388)	(133,074)	2,506,792
Total	<u>2,483,356</u>	<u>1,126,898</u>	<u>(970,388)</u>	<u>(133,074)</u>	<u>2,506,792</u>

Movement in prior year

	At start of year 2019 as Restated	Incoming Resource 2019 as Restated	Outgoing Resource 2019 as Restated	Unrealised/ Realised Gain	At end of year 2019 as Restated
	€	€	€	€	€
Unrestricted Funds	1,990,770	1,091,296	(804,920)	206,210	2,483,356
Total	<u>1,990,770</u>	<u>1,091,296</u>	<u>(804,920)</u>	<u>206,210</u>	<u>2,483,356</u>

9 (b) Analysis of Net Assets

	At end of year 2020	At end of year 2019
	€	€
Investments	1,942,712	2,027,908
Current Assets	735,933	515,528
Creditors: Amounts falling due within one financial year	<u>(171,853)</u>	<u>(60,080)</u>
Total	<u>2,506,792</u>	<u>2,483,356</u>

The Solicitors' Benevolent Association
 Financial Statements for the financial year ending 30 November 2020

NOTES TO THE FINANCIAL STATEMENTS – continued

10. Financial Instruments

	2020	2019
	€	€
Financial assets measured at fair value through the statement of financial activities		
Investments	1,942,712	2,027,908
	<u>1,942,712</u>	<u>2,027,908</u>
Financial assets measured at amortised cost		
Loan due to the Association	20,000	20,000
Amount due from a related party	39,490	27,800
Cash at bank and in hand	676,443	467,728
	<u>735,933</u>	<u>515,528</u>
Financial liabilities at amortised cost		
Bequests from unidentified beneficiaries	171,853	60,080
	<u>171,853</u>	<u>60,080</u>

11. Net Movement in Funds

	2020	2019
	€	€
Net movement in funds is stated after charging:		
Accountancy	7,230	0
	<u>7,230</u>	<u>0</u>

12. Related Parties

There have been no related party transactions during the year that require disclosure.

Certain board members are connected to organisations which contribute income primarily in the form of subscriptions to the Association in the normal course of their business.

There was no director remuneration or director expenses paid in the year (2019: Nil).

The Solicitors' Benevolent Association
Financial Statements for the financial year ending 30 November 2020

NOTES TO THE FINANCIAL STATEMENTS – continued

13. Transition to FRS 102

	As previously stated 1 December 2018	Effect of transition 1 December 2018	FRS 102 (as restated) 1 December 2018	As previously stated 30 November 2019	Effect of transition 30 November 2019	FRS 102 (as restated) 30 November 2019
Balance Sheet	€	€	€	€	€	€
Fixed Assets	1,094,916	745,900	1,840,816	1,080,899	947,008	2,027,907
Current Assets	248,254	(34,713)	213,541	637,848	(122,319)	515,529
Current Liabilities	(63,587)	-	(63,587)	(60,080)		(60,080)
Total Assets less Current Liabilities	1,279,583	711,187	1,990,770	1,658,667	824,689	2,483,356
General Funds	1,279,583	711,187	1,990,770	1,658,667	824,689	2,483,356

	As previously stated 1 December 2018	Effect of transition 1 December 2018	FRS 102 (as restated) 1 December 2018	As previously stated 30 November 2019	Effect of transition 30 November 2019	FRS 102 (as restated) 30 November 2019
Statement of Financial Activities	€	€	€	€	€	€
Income	644,780	9,394	654,174	1,087,910	3,386	1,091,296
Expenditure	(830,256)		(830,256)	(809,334)	4414	(804,920)
Gain on Investment	50,467	-	50,467	100,508	105,702	206,210
	(135,009)	9,394	(125,615)	379,084	113,502	492,586

Accounting for financial instruments as designated at fair value through profit or loss:

On adoption of FRS 102, the financial investments have been measured at fair value with changes in fair value recognised in profit or loss in line with Section 2.47.

On adoption of FRS 102, income has been recognised on a receivable basis.

14. Capital Commitments

There were no capital commitments at the financial year end (2019 - €Nil).

15. Contingent Liabilities

There were no contingent liabilities at the financial year end (2019 - €Nil).

16. Post Balance Sheet Events

A transfer of €200,000 was made from current account to Investments.

17. Approval of the Financial Statements

The board of directors approved these financial statements for issue on 10 May 2021.