

**THE INNER TEMPLE BENEFACTORS'
SCHOLARSHIP FUND**

Financial Statements

31st December 2019

Registered Charity No 1056609

The Inner Temple Benefactors' Scholarship Fund

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The Inner Temple Benefactors' Scholarship Fund

Report of the Trustees for the year ended 31st December 2019

Objectives and activities

The Inner Temple Benefactors' Scholarship Fund is a registered charity comprising four individual funds: The Inner Temple Benefactors' Scholarship Fund, The Pegasus Scholarship Trust Fund, The Woolfe Summerfield Bequest Fund and The Peter Taylor Scholarship Fund. Each of the four funds was established by gifts or legacies for the purpose of paying scholarships or purchasing Library books. The specific objectives of each fund are as follows:

The Inner Temple Benefactors' Scholarship Fund:

The advancement of education in the law, and in particular the provision of scholarships, prizes, grants and awards to persons who are studying the law, being students or young barrister members of the Society.

The Pegasus Scholarship Trust Fund:

The advancement of legal education among students and young barristers whether or not being members of the Honourable Society of the Inner Temple and among any other persons by such means as are charitable and particularly by the means of the award of scholarships and grants.

The Woolfe Summerfield Bequest Fund:

The purchase of library books.

The Peter Taylor Scholarship Fund:

The provision of a scholarship for an outstanding student member of the Honourable Society of the Inner Temple who either has entered or undertakes to enter for the Bar Professional Training Course which commences during the year in which the scholarship is awarded or, at the discretion of the Scholarships Committee of the Society, during the next following year.

The funds are all invested with Veritas Investment Management. Investment policy is supervised on behalf of the Trustees by the Investment Committee of the Honourable Society of the Inner Temple. Decisions about the award of scholarships are made by the Scholarships Committee of the Honourable Society of the Inner Temple and, in the case of the Pegasus Scholarship Trust, by a committee of all four Inns.

The Trustees have given due regard to the Charity Commission guidance on Public Benefit.

Achievements and performance

There were no significant changes to the eligibility criteria or the application process for scholarships, prizes and awards for any of the charities in the year. Awards made during the year were as follows:

- The Inner Temple Benefactors' Scholarship Fund awarded 27 scholarships and prizes to individuals during the year totalling £23,470 (2018 - £23,700).
- The Pegasus Scholarship Trust Fund awarded 26 scholarships and prizes in the year totalling £84,914 (2018 - £89,505).
- The Peter Taylor Scholarship Fund awarded one scholarship of £20,000 (2018 - £20,000).

Financial review

All revenues are used for charitable activities.

Investments performed extremely well in 2019, generating an overall return, net of fees, of 14.1% (2018: 0.7%).

The Inner Temple Benefactors' Scholarship Fund

Report of the Trustees for the year ended 31st December 2019 (continued)

In 2019 the Benefactors' Fund received the following generous donations: £5,000 from the Monica Rabagliati Charitable Trust for the Sir Joseph Priestley Scholarship, £1,000 from Mr J. Jarman, £500 from Sir Bernard and Lady Rix and £210 from the estate of Gerald Lumley to the Pegasus Scholarship Fund. Thanks to the donation from Mr Jarman, two Pupil Advocacy Prizes of £500 were paid out.

Principal risks and uncertainties

The Trustees have identified the major risks to which the fund is exposed and have satisfied themselves that adequate systems are in place to mitigate those risks.

The major risks are set out as follows:

- Currency risk: this is the risk that the fair value of future cash flows of a financial asset will fluctuate because of changes in foreign exchange rate;
- Interest rate risk: this is the risk that the fair value of future cash flows of a financial asset will fluctuate because of changes in the market interest rate;
- Other price risk: this is the risk that the fair value of future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risks), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Reserves policy

The Trustees aim to apply income as fully as possible in the year in which it arises, maintaining only a modest surplus each year to deal with adverse fluctuations in the returns from investments. The level of funds at the year end was £4,305,062 (2018 – £3,871,708) including restricted income reserves of £98,850 (2018 - £142,288).

There are no free unrestricted reserves at the year end for the charity due to the nature of how the charity operates. All income is generated and recognised within restricted funds from endowed investments during the year and subsequently this is spent on underlying activities of the charity. The Charity's spend is adjusted to the income level generated in the year.

Transfer between funds

Transfer between funds represents the movement between restricted income and endowment funds, relating to the investment income and fees paid to the investment managers.

Investments policy and performance

The Trustees aim to maximise real return on a rolling five-year view with emphasis on capital growth with income. Investment performance during the year equated to 14.1% net of fees. Investment income on the Charity's funds is paid out by the manager (Veritas) to generate funds for the payment of scholarships.

Structure governance and management

The Charity's Trustees are the four Governing Benchers elected by the Treasurer and Masters of the Bench of the Honourable Society of the Inner Temple to act as Trustees of the Honourable Society. Legal title to the Charity's investments is vested in the four Trustees. They act in accordance with decisions made by the appropriate committees of the Bench, provided they are satisfied that those decisions have been properly reached and are within the power of the committee. The committees which make decisions affecting the Charity are the Investment Committee, the Scholarships Committee and the Council of Management for the Pegasus Scholarship Trust.

The Inner Temple Benefactors' Scholarship Fund

Report of the Trustees for the year ended 31st December 2019 (continued)

New Trustees are advised of their role, duties and responsibilities on appointment, by reference to the Bench Table Orders of the Honourable Society of the Inner Temple.

Day-to-day management of the Charity is undertaken by the staff of the Honourable Society of the Inner Temple, acting in accordance with policies and procedures laid down by the Honourable Society.

The Charity's Trustees recognise the legal obligation to oversee and report on the Inner Temple Benefactors' Scholarship Fund's fundraising activities.

The Inner Temple Benefactors' Scholarship Fund does not use Direct Marketing for its fundraising activities and is not therefore registered with the Fundraising Regulator. It does not have any direct contact with vulnerable people hence no Vulnerable People Protection Policy is currently in place.

Any donations or bequests are welcome and given voluntarily, usually by members of the Inner Temple. Any Gift Aid forms are securely stored in order to protect donors' personal data. The personal data is used only for Gift Aid tax claims and is not used for mailing, distribution or other fundraising purposes. No Personal Data is sold to third parties.

Currently no third parties are used for fundraising purposes but if they are used in future the third parties would be expected to maintain a high standard of fundraising practice.

There were no fundraising complaints from donors or the general public in 2019 or any prior years. Any complaint would be taken seriously and investigated thoroughly.

Investment Committee

This Committee comprises Benchers and other members of the Honourable Society of the Inner Temple. Among the Bencher members are Honorary Benchers chosen for their particular expertise in investment matters. The Committee meets quarterly to review investment performance and to consider changes to policy. It is advised by an independent investment manager.

Scholarships Committee

This Committee comprises Benchers and other members of the Honourable Society of the Inner Temple. It meets throughout the year to set policy for the awarding of scholarships and to assess applications. Awards are made to students and junior barristers by the Honourable Society of the Inner Temple. The Charity makes grants to the Inn in accordance with the terms of the bequests of which it is comprised.

Coronavirus

The global pandemic has not led to any significant changes in the Charity's income or expenditure in the post balance sheet period.

Taking into account the balance sheet position and the impact of Covid-19 on the Charity's income streams and expenditure plans, the Trustees consider that the going concern assumption remains appropriate and the financial statements continue to be prepared on this basis.

The Trustees do not consider it necessary to make a reduction to the levels of funding budgeted for 2020 or 2021.

The Inner Temple Benefactors' Scholarship Fund

Report of the Trustees for the year ended 31st December 2019 (continued)

References and administration

Charity Name & No: The Inner Temple Benefactors' Scholarship Fund includes the following charities registered under the charity number 1056609:

The Inner Temple Benefactors' Scholarship Fund (comprising the funds listed in Note 1(g) to the accounts)
The Pegasus Scholarship Trust Fund
The Woolfe Summerfield Bequest Fund
The Peter Taylor Fund

Governing Instruments: The Inner Temple Benefactors' Scholarship Fund: scheme made by the Charity Commissioners dated 14th August 1995

The Woolfe Summerfield Bequest Fund is governed by the terms of the will of Woolfe Summerfield

The Pegasus Scholarship Trust Fund: trust deed dated 13th March 1988

The Peter Taylor Scholarship Fund is governed by regulations dated 23rd July 1997

Trustees: The Trustees of the Inner Temple Benefactors' Scholarship Fund are:

The Rt Hon Sir Stephen Tomlinson
The Rt Hon Sir Bernard Rix (resigned 18th December 2019)
The Hon Sir Michael Tugendhat (resigned 18th December 2019)
The Rt Hon Lord Justice Nugee
David Pittaway QC (appointed 18th December 2019)
Penelope Reed QC (appointed 18th December 2019)

as nominees of the Treasurer and Masters of the Bench of the Honourable Society of the Inner Temple, who act in accordance with their usual procedure.

The Trustees of the Pegasus Scholarship Trust Fund, set up by the trust deed, are:

The Rt Hon Sir Stephen Tomlinson
The Rt Hon Sir Bernard Rix (resigned 18th December 2019)
The Hon Sir Michael Tugendhat (resigned 18th December 2019)
The Rt Hon Lord Justice Nugee
David Pittaway QC (appointed 18th December 2019)
Penelope Reed QC (appointed 18th December 2019)

Principal Address: Inner Temple
London
EC4Y 7HL

Bankers: Royal Bank of Scotland
9-13 Paternoster Row
London EC4M 7EJ

Solicitors: Forsters LLP
31 Hill Street
London W1J 5LS
Lewis Silkin LLP
5 Chancery Lane, Clifford's Inn
London EC4A 1BL

Auditors: Crowe U.K. LLP
55 Ludgate Hill
London
EC4M 7JW

Investment Managers: Veritas Investment Management LLP
90 Long Acre
London WC2E 9RA

Investment Powers: The Trustees have wide powers of investment.

The Inner Temple Benefactors' Scholarship Fund

Report of the Trustees for the year ended 31st December 2019 (continued)

Council of Management for the Pegasus Scholarship Trust

The Council of Management comprises Benchers and other members of all four Inns of Court; the Honourable Societies of Gray's Inn, the Inner Temple, Lincoln's Inn and Middle Temple.

The Council makes awards from the Pegasus Scholarship Fund to finance UK and overseas barristers in gaining international work experience.

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Annual Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

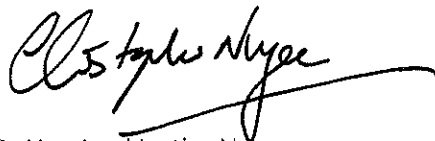
The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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 Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions, disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the Charity's constitution. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved for the Trustees on *29 October*

2020 and signed on their behalf:



The Rt Hon Lord Justice Nugee
Trustee

The Inner Temple Benefactors' Scholarship Fund

Independent Auditor's Report to the Trustees of the Inner Temple Benefactors' Scholarship Fund

Opinion

We have audited the financial statements of the Inner Temple Benefactors' Scholarship Fund for the year ended 31 December 2019 which comprise the Statement of Financial Activities, the Balance sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. 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 Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2019 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

The Inner Temple Benefactors' Scholarship Fund

Independent Auditor's Report to the Trustees of the Inner Temple Benefactors' Scholarship Fund (cont.)

Other information

The trustees 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 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees 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 trustees 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 trustees are responsible for assessing the charity'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 trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

The Inner Temple Benefactors' Scholarship Fund

Independent Auditor's Report to the Trustees of the Inner Temple Benefactors' Scholarship Fund (cont.)

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.

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.

Crowe U.K. LLP

Crowe U.K. LLP

Statutory Auditor

55 Ludgate Hill
London
EC4M 7JW

Date: 30 October 2020

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

The Inner Temple Benefactors' Scholarship Fund

Statement of Financial Activities for the year ended 31st December 2019

	Notes	Restricted Income £	Expendable Endowment	Permanent Endowmen t £	Total 2019 £	Restricted Income	Expendable Endowment	Permanent Endowment	Total 2018 £
Incoming resources									
Donations and legacies		6,710	-	-	6,710	8,660	-	-	8,660
Other trading activities	2(a)	78,000	-	-	78,000	78,000	-	-	78,000
Income from investments	2(b)	46,843	-	-	46,843	41,863	-	-	41,863
Total income and endowments		131,553	-	-	131,553	128,523	-	-	128,523
Expenditure on raising funds									
Investment managers' charges		31,687	-	-	31,687	32,207	-	-	32,207
Bank charges and office costs		34	-	-	34	1,579	-	-	1,579
		31,721	-	-	31,721	33,786	-	-	33,786
Expenditure on charitable activities									
Scholarship payable	3	128,384	-	-	128,384	133,205	-	-	133,205
Contribution to purchase library books		3,322	-	-	3,322	1,398	-	-	1,398
		131,706	-	-	131,706	134,603	-	-	134,603
Support cost	4	44,506	-	-	44,506	43,242	-	-	43,242
Total expenditure		207,933	-	-	207,933	211,631	-	-	211,631
Net gains on investments	5d	-	335,358	174,376	509,734	-	(10,880)	27,858	16,978
Net (expenditure)/ income		(76,380)	335,358	174,376	433,354	(83,108)	(10,880)	28,858	(66,130)
Transfer between funds		32,942	(23,200)	(9,742)	-	30,214	(22,678)	(7,536)	-
Net movement in funds		(43,438)	312,158	164,634	433,354	(52,894)	(33,558)	20,322	(66,130)
Fund balances brought forward									
At 1 st January 2019		142,288	2,499,854	1,229,566	3,871,708	195,182	2,533,412	1,209,244	3,937,838
Fund balances carried forward									
At 31 st December 2019		98,850	2,812,012	1,394,200	4,305,062	142,288	2,499,854	1,229,566	3,871,708

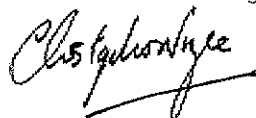
All the above amounts relate to continuing activities.
The notes on pages 12 to 20 form part of these financial statements.

The Inner Temple Benefactors' Scholarship Fund

Balance Sheet as at 31st December 2019

	Notes	Restricted Income £	Expendable Endowment £	Permanent Endowment £	Total 2019 £	Total 2018 £
Fixed assets						
Investments	5	-	2,812,012	1,394,200	4,206,212	3,729,420
Current assets						
Debtors	6	28,647	-	-	28,647	45,547
Cash at bank and in hand	7	184,507	-	-	184,507	163,512
		213,154	-	-	213,154	209,059
Creditors: amounts falling due						
Within one year	8	(114,304)	-	-	(114,304)	(66,771)
Net current assets/ (liabilities)		98,850	-	-	98,850	142,288
Total assets less current liabilities		98,850	2,812,012	1,394,200	4,305,062	3,871,708
Represented by:						
The Benefactors' Fund		40,996	-	700,975	741,971	671,004
The Peter Taylor Fund		39,518	-	432,062	471,580	436,171
The Woolfe Summerfield Fund		-	-	261,163	261,163	231,477
The Pegasus Scholarship Trust Fund:						
The Pegasus Fund 'A'		5,556	2,530,811	-	2,536,367	2,271,609
The Pegasus Fund 'B'		12,780	281,201	-	293,981	261,447
	10 & 11	98,850	2,812,012	1,384,200	4,305,062	3,871,708

The financial statements on pages 9 to 20 were approved and authorised for issue by the Trustees on 29 October 2020 and signed on their behalf:



The Rt Hon Lord Justice Nugee
Trustee

The notes on pages 12 to 20 form part of these financial statements

The Inner Temple Benefactors' Scholarship Fund

Cash flow statement For the year ended 31st December 2019

	<u>Note</u>	<u>2019</u>	<u>2018</u>
<u>Net cash provided by operating activities</u>	14	<u>(59,809)</u>	<u>(69,618)</u>
<u>Cash flow from investment activities</u>			
Dividends and interest from investments		47,863	42,325
Proceeds of sale of investments		608,799	712,851
Purchase of investment		<u>(575,858)</u>	<u>(682,637)</u>
<u>Net cash provided by investing activities</u>		<u>80,804</u>	<u>72,539</u>
Cash and cash equivalents in the reporting period		<u>20,995</u>	<u>2,921</u>
Cash and cash equivalents at the beginning of the reporting period	15	<u>163,512</u>	<u>160,591</u>
<u>Cash and cash equivalents at the end of the reporting period</u>	15	<u>184,507</u>	<u>163,512</u>

The notes on pages 12 to 20 form part of these financial statements.

The Inner Temple Benefactors' Scholarship Fund

Notes to the financial statements for the year ended 31st December 2019

1. Accounting policies

a) Basis of accounting

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014.

The Inner Temple Scholarship Fund constitutes a public benefit entity as defined by FRS 102.

After making enquires, the Trustees have a reasonable expectation that the Charity has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Trustees Responsibilities on page 5.

The Covid-19 pandemic has had no material impact on the Charity's operations. The Trustees, the relevant committees, professional advisers and staff continue to monitor the situation carefully.

Having regard to the above, the current cash position, and expected cashflow over the following twelve months the Trustees believe it is appropriate to adopt the going concern basis of accounting in preparing the financial statements.

b) Critical accounting judgements and key sources of estimation uncertainty

Sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described in the accounting policies. No specific accounting judgements and uncertainties have been identified for the current year.

c) Investments

Investments are included in the accounts at fair value. Net realised and unrealised gains and losses are reflected in the Statement of Financial Activities as net gains/losses on investments.

d) Financial instruments

The Inner Temple Benefactors' Scholarship Fund has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise bank loans and overdrafts, trade and other creditors.

Investments, including bonds held as part of an investment portfolio are held at market value at the Balance Sheet date, with gains and losses being recognised within income and expenditure.

The Inner Temple Benefactors' Scholarship Fund

Notes to the financial statements for the year ended 31st December 2019

e) Incoming resources

Donations, interest and investment income are accounted for when receivable. Legacies are accounted for when received or otherwise if amounts are known as probable and measurable.

f) Resources expended

Direct charitable expenditure comprises services supplied and activities undertaken, which are identifiable as wholly or mainly in support of the Charity's objectives. Grants, prizes and scholarships are accounted for when awarded. The costs of generating funds relate to the management of the Charity's assets.

g) The Inner Temple Benefactors' Scholarship Fund

The Inner Temple Benefactors' Scholarship Fund is an approved scheme whereby the charities listed below are administered and managed together as one charity. The Charity Commissioners approved the scheme in 1995.

Charities included in scheme:

Jardine Studentship	Cecile Yahuda Scholarship
Poland Prize	Forster Boulton Prize
Struben Bequest	Ashe Lincoln Prize
Ashworth Charity	Elfreda Edwards Scholarship
Horace Avory Scholarship	Peta Fordham Scholarship
Wilfred Clothier Scholarship	Kenneth H. Solomon Prize
Frank and Burris Gahan Scholarship	Stephen Langdon Bequest
Michael Hodge Scholarship Trust	W A Maakad Prize
Fund	
Neville Laski Scholarship Charity	Sweet & Maxwell Prize
The Inner Temple Law	Lawson Bequest
Scholarships	
David Hughes Parry Prize	Charlotte Bircher Scholarship
Keith Prize	Watts Phillips Trust
Basil Nield Scholarship Charity	The Bannister Fletcher Fund
Otto Rix Scholarship	The Joseph Priestley Scholarship
Geoffrey Veale Scholarship Fund	

h) Taxation

The Inner Temple Benefactors' Scholarship Fund is a registered charity and taxation is not applicable.

2(a) Contributions from the Inns

The four Inns of Court (The Honourable Society of Gray's Inn, The Honourable Society of the Inner Temple, The Honourable Society of the Middle Temple and The Honourable Society of Lincoln's Inn) each made an annual donation of £19,500 (2018 - £19,500) towards The Pegasus Scholarship Trust Fund.

The Honourable Society of the Inner Temple also pays the Charity's audit fees.

The Inner Temple Benefactors' Scholarship Fund

Notes to the financial statements for the year ended 31st December 2019

2(b) Investment income	2019	2018
	£	£
The Inner Temple Benefactors' Scholarship Fund		
UK equities	1,353	915
Foreign equities	1,196	1,156
Fixed interest	2,769	1,787
The Woolfe Summerfield Bequest Fund		
UK equities	580	481
Foreign equities	264	202
Fixed interest	1,180	584
The Peter Taylor Fund		
UK equities	930	699
Foreign equities	510	472
Fixed interest	1,924	1,031
The Pegasus Scholarship Trust Fund		
UK equities	3,873	7,778
Foreign equities	19,196	16,976
Fixed interest	12,860	9,752
	46,635	41,833
3. Scholarships payable, awarded to individuals	2019	2018
	£	£
The Inner Temple Benefactors' Scholarship Fund: 27 (2018: 26)	23,470	23,700
The Peter Taylor Scholarship Fund: 1 (2018: 1)	20,000	20,000
The Pegasus Scholarship Trust Fund: 26 (2018: 28)	84,914	89,505
	128,384	133,205
4. Support cost	2019	2018
	£	£
Administration costs allocated by the Inner Temple	44,506	43,242
5. Investments		
(a) Reconciliation of movement in investment assets	2019	2018
	£	£
Market value at 1 st January 2019	3,729,420	3,742,656
Additions to investments at cost	495,137	436,764
Less: Disposals at carrying value	(494,611)	(454,026)
Net gains on revaluation	476,266	4,026
Market value at 31st December 2019	4,206,212	3,729,420

The Inner Temple Benefactors' Scholarship Fund

Notes to the financial statements for the year ended 31st December 2019 (continued)

(b) Analysis of Investments:	2019	2018
	£	£
The Inner Temple Benefactors' Scholarship Fund		
UK equities	406,096	400,503
Foreign equities	151,330	63,500
Fixed interest	89,758	88,627
Cash	53,791	66,174
The Woolfe Summerfield Bequest Fund		
UK equities	212,592	165,560
Foreign equities	6,460	5,817
Fixed interest	23,546	23,200
Cash	18,565	36,900
The Peter Taylor Fund		
UK equities	321,589	251,992
Foreign equities	38,891	30,393
Fixed interest	45,827	45,407
Cash	25,755	51,493
The Pegasus Scholarship Trust Fund		
UK equities	326,028	253,339
Foreign equities	1,511,012	1,209,378
Fixed interest	656,745	638,842
Cash	318,227	398,287
	<u>4,206,212</u>	<u>3,729,412</u>
Historical cost at 31st December	<u>3,108,108</u>	<u>3,026,860</u>
(c) Reconciliation of movements in unrealised gains on investment assets	2019	2018
	£	£
Unrealised gains at 1st January 2019	702,552	944,391
Write back loss on disposal of investments	(80,713)	(245,857)
Unrealised gain for the year	476,266	4,018
	<u>1,098,105</u>	<u>702,552</u>
(d) Net gain on investment	2019	2018
	£	£
Unrealised gains	476,258	4,018
Realised gain	33,476	12,960
Net gain on investment at 31 st December 2019	<u>509,734</u>	<u>16,978</u>

The Inner Temple Benefactors' Scholarship Fund

Notes to the financial statements for the year ended 31st December 2019 (continued)

6. Debtors		2019	2018
		£	£
Dividend income		2,772	3,791
Amounts due from the Inns of Court		24,375	19,500
Other debtors		1,500	22,256
		<u>28,647</u>	<u>45,547</u>
7. Cash at bank and in hand		2019	2018
		£	£
Current account		78,877	82,564
Deposit account		105,630	80,948
		<u>184,507</u>	<u>163,512</u>
8. Creditors: amounts falling due within one year		2019	2018
		£	£
Accrued expenditure		16,561	13,735
Other creditors		10,713	9,962
Amount due to Inner Temple	16	87,030	43,074
		<u>114,304</u>	<u>66,771</u>
9. Financial instruments			
Financial assets and liabilities		2019	2018
		£	£
Financial assets measured at amortised cost		28,647	45,547
Financial assets measured at fair value		4,206,212	3,729,420
Financial liabilities measured at amortised cost		114,304	66,771
The Trust's income, expense, gains and losses in respect of these financial instruments are summarised below:			
		2019	2018
		£	£
Total income for financial assets held at fair value		2,722	3,791
Total gains for financial assets held at fair value		4,666,820	766,061
Total losses for financial assets held at fair value		460,608	63,509

The Inner Temple Benefactors' Scholarship Fund

Notes to the financial statements for the year ended 31st December 2019 (continued)

10. Funds

(a) Permanent Endowment Funds

	Balance at 1 Jan 2019	Capital Additions	Gains	Transfers	Balance at 31 Dec 2019
	£	£	£	£	£
The Inner Temple Benefactors' Scholarship	618,804	-	87,163	(4,992)	700,975
The Peter Taylor Fund	379,285	-	55,739	(2,962)	432,062
The Woolfe Summerfield Bequest Fund	231,477	-	31,474	(1,788)	261,163
	1,229,566	-	174,376	(9,742)	1,394,200

	Balance at 1 Jan 2018	Capital Additions	Gains	Transfers	Balance at 31 Dec 2018
	£	£	£	£	£
The Inner Temple Benefactors' Scholarship	605,313	-	17,415	(3,924)	618,804
The Peter Taylor Fund	375,167	-	6,389	(2,271)	379,285
The Woolfe Summerfield Bequest Fund	228,764	-	4,054	(1,341)	231,477
	1,209,244	-	27,858	(7,536)	1,229,566

(b) Expendable Endowment Funds

	Balance at 1 st Jan 2019	Capital Additions	Gains	Transfers	Balance at 31 Dec 2019
	£	£	£	£	£
The Pegasus Scholarship Trust Fund	2,499,854	-	335,358	(23,200)	2,812,012

	Balance at 1 st Jan 2018	Capital Additions	Losses	Transfers	Balance at 31 Dec 2018
	£	£	£	£	£
The Pegasus Scholarship Trust Fund	2,533,412	-	(10,880)	(22,678)	2,499,854

The Inner Temple Benefactors' Scholarship Fund

Notes to the financial statements for the year ended 31st December 2019 (continued)

(c) Income Funds

	Balance at 1 st Jan 2019	Incoming resources	Expenditure	Transfers	Balance at 31 st Dec 2019
	£	£	£	£	£
The Inner Temple Benefactors' Scholarship Fund	52,200	11,818	(28,014)	4,992	40,996
The Woolfe Summerfield Bequest Fund	-	2,024	(4,986)	2,962	-
The Pegasus Scholarship Trust Fund	33,202	114,139	(152,205)	23,200	18,336
The Peter Taylor Fund	56,886	3,572	(22,728)	1,788	39,518
	142,288	131,553	(207,933)	32,942	98,850

	Balance at 1 st Jan 2018	Incoming resources	Expenditure	Transfers	Balance at 31 st Dec 2018
	£	£	£	£	£
The Inner Temple Benefactors' Scholarship Fund	64,875	12,357	(28,956)	3,924	52,200
The Woolfe Summerfield Bequest Fund	791	1,267	(3,399)	1,341	-
The Pegasus Scholarship Trust Fund	53,882	112,666	(156,024)	22,678	33,202
The Peter Taylor Fund	75,634	2,233	(23,252)	2,271	56,886
	195,182	128,523	(211,631)	30,214	142,288

11. Analysis of net assets

	Inner Temple Benefactors' Scholarship Fund	Peter Taylor Fund	Woolfe Summerfield Bequest Fund	Pegasus Scholarship Trust Fund	Total 2019
	£	£	£	£	£
Fixed assets:					
Investments	700,975	432,062	261,163	2,812,012	4,206,212
Current assets:					
Debtors	1,688	83	50	26,826	28,647
Cash at bank and in hand	125,034	40,231	429	20,313	184,507
Creditors: amounts falling due within one year	(84,226)	(796)	(479)	(28,803)	(114,304)
	741,971	471,580	261,163	2,830,348	4,305,062

The Inner Temple Benefactors' Scholarship Fund

Notes to the financial statements for the year ended 31st December 2019 (continued)

	Inner Temple Benefactors' Scholarship Fund	Peter Taylor Fund	Woolfe Summerfield Bequest Fund	Pegasus Scholarship Trust Fund	Total 2018
	£	£	£	£	£
Fixed assets:					
Investments	618,804	379,285	231,477	2,499,854	3,729,420
Current assets:					
Debtors	3,188	19,338	50	22,971	45,547
Cash at bank and in hand	70,122	58,723	2,070	32,597	163,512
Creditors: amounts falling due within one year	(21,110)	(21,175)	(2,120)	(22,366)	(66,771)
	<u>671,004</u>	<u>436,171</u>	<u>231,477</u>	<u>2,533,056</u>	<u>3,871,708</u>

12. Trustees

None of the Trustees received any reimbursement of expenses or remuneration for their services during the year.

13. Audit fees

The Charity's audit fees are paid by the Honourable Society of the Inner Temple. Inner Temple paid £4,020 on account of the audit fees in 2019 (2018 - £3,900).

14. Reconciliation of cash inflow from operating activities

	2019 £	2018 £
Net income/ (expenditure) for the reporting period	433,354	(66,130)
Gains on investments	(509,734)	(16,978)
Dividends	(46,843)	(41,863)
Other income		-
Operating deficit	<u>(123,223)</u>	<u>(124,971)</u>
Decrease in debtors	15,881	48,063
Increase in creditors	47,533	7,290
Net cash outflow provided by operating activities	<u>(59,809)</u>	<u>(69,618)</u>

The Inner Temple Benefactors' Scholarship Fund

Notes to the financial statements for the year ended 31st December 2018 (continued)

15. (a) Analysis of short-term deposits and cash at bank as shown in the balance sheet

	<u>At 1st Jan</u> <u>2019</u>	<u>Cash flow</u>	<u>At 31st Dec</u> <u>2019</u>
	£	£	£
Short-term deposits	80,947	24,683	105,630
Cash at bank	<u>82,565</u>	<u>(3,688)</u>	<u>78,877</u>
Cash and bank balances	<u><u>163,512</u></u>	<u><u>20,995</u></u>	<u><u>184,507</u></u>

(b) Reconciliation of net cash flow to movement in net cash

Increase in cash and short term deposits	<u>20,995</u>
Net cash at 1 st January 2019	<u>£163,512</u>
Net cash at 31 st December 2019	<u><u>184,507</u></u>

16. Related party transactions

The Honourable Society of the Inner Temple paid £19,500 towards the Pegasus Trust scholarships awarded in 2019 (2018 - £19,500). The Inner Temple also paid the Benefactors' Scholarship Fund's audit fees of £4,020 (2018 - £3,900).

The Pegasus Scholarship Trust paid £42,852 with regards to staff costs administered by the Inner Temple in 2019 (2018 - £42,077).

In 2019 The Inner Temple Benefactors' Scholarship Fund contributed the following amounts to the cost of the Inn's scholarship awards:

	2019	2018
Benefactors' Scholarship Fund	£23,470	£23,700
Woolfe Summerfield Bequest Fund	£3,322	£1,398
Peter Taylor Fund	£20,000	£20,000

The amount of £87,030 in creditors (Note 8) represents the contributions due to the Inner Temple as at 31st December 2019 (2018 - £43,074). This balance is unsecured, interest free and payable on demand.