

**THE INCORPORATED COUNCIL OF LAW REPORTING  
FOR ENGLAND AND WALES**

**COMPANY REGISTRATION NUMBER 5034  
CHARITY REGISTRATION NUMBER 250605**

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**REPORT AND ACCOUNTS**

**YEAR ENDED 31 DECEMBER 2016**

**PUBLISHERS OF THE LAW REPORTS, THE WEEKLY LAW REPORTS,  
THE INDUSTRIAL CASES REPORTS, THE BUSINESS LAW REPORTS  
AND THE PUBLIC AND THIRD SECTOR LAW REPORTS**

**MEGARRY HOUSE, 119 CHANCERY LANE, LONDON WC2A 1PP**

**THE INCORPORATED COUNCIL OF LAW REPORTING  
FOR ENGLAND AND WALES**

**ANNUAL REPORT**

**YEAR ENDED 31 DECEMBER 2016**

**THE INCORPORATED COUNCIL OF LAW REPORTING  
FOR ENGLAND AND WALES**

**ANNUAL REPORT**

**YEAR ENDED 31 DECEMBER 2016**

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**THE INCORPORATED COUNCIL OF LAW REPORTING  
FOR ENGLAND AND WALES**

**MEMBERS OF THE COUNCIL**

**YEAR ENDED 31 DECEMBER 2016**

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***Chairman*** - R Fleck Esq. CBE  
***Vice Chairman*** – T H W Piper Esq.

**EX OFFICIO MEMBERS**

The Attorney-General - The Rt. Hon. Jeremy Wright QC MP  
The Solicitor-General – Robert Buckland QC MP  
The President of The Law Society – R H G Bourns Esq.

**NOMINATED MEMBERS**

*Lincoln's Inn*  
His Honour Judge D R Hodge QC  
The Hon. Mr Justice Norris

*Middle Temple*  
The Hon. Mr Justice Roth  
P Susman Esq. QC

*Inner Temple*  
Miss M Bowron QC  
The Rt. Hon. Lord Justice Elias

*Gray's Inn*  
S Gault Esq  
The Hon. Mr Justice Turner

*The Law Society*  
Mrs S Abraham  
Ms L K H Lee

**ELECTED MEMBERS**

Elected by the Council on the nomination of the General Council of the Bar

T Dutton Esq. QC

K Hamer Esq.

**CO-OPTED MEMBERS**

R Fleck Esq CBE  
T H W Piper Esq.  
Ms S Thomas  
J M Turner Esq. QC  
Miss C Walton

**SECRETARY / CEO**

Kevin Laws Esq.

*Registered Address:*  
Megarry House, 119 Chancery Lane, London WC2A 1PP

**ADVISORS**

*Solicitors*  
Bird & Bird  
15 Fetter Lane  
London EC4A 1JP

*Independent Auditor*  
haysmacintyre  
26 Red Lion Square  
London WC1R 4AG

*Bankers*  
National Westminster Bank plc  
156 Fleet Street  
London EC4A 2DX

*Stockbrokers*  
Quilter Cheviot  
1 Kingsway  
London WC2B 6AN

# THE INCORPORATED COUNCIL OF LAW REPORTING FOR ENGLAND AND WALES

## REPORT OF THE COUNCIL

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### MEMBERS OF THE COUNCIL

The members of the Council, being the trustees under Charity law and the directors under company law, submit their report and the accounts for the year ended 31 December 2016. Details of members are given on page 1.

During the year there were the following changes to the members of the Council:

Ex-officio members: RHG Bourns Esq. succeeded J Smithers Esq. as President of The Law Society.

Nominated members: P Susman Esq QC replaced Mrs C Toulmin as a member for Middle Temple, Miss M Bowron QC replaced Miss SE Smith as a member for Inner Temple and Mrs S Abraham and Ms LKH Lee replaced M Franks Esq. and K Etherington Esq. as members for The Law Society.

Elected Members: K Hamer Esq. replaced Miss M Bowron QC as a member for the Bar Council.

No trustees received any remuneration during the year. One trustee was reimbursed £188 (2015: no trustees were reimbursed) in respect of expenses incurred in performing their duty.

The number of members of the Council shall not exceed twenty. Three, namely the Attorney General, the Solicitor General and the President of The Law Society are appointed members by virtue of their office. Ten members, two from each of Lincoln's Inn, Inner Temple, Middle Temple, Gray's Inn and The Law Society are nominated by each of these societies. Two members are elected to represent the Bar Council. Other co-opted members, not exceeding five in total, are appointed by the Council.

New members are provided with the articles of association, 'The Essential Trustee' document from the Charity Commission, the latest accounts and the minutes from the most recent Executive Committee meeting. They are also given the opportunity to ask the Chief Executive Officer any questions that they may have.

### OBJECTS AND PRINCIPAL ACTIVITIES

1. The preparation and publication, in a convenient form, at a moderate price and under gratuitous professional control, of Reports of Judicial Decisions of the Superior and Appellate Courts in England and Wales.
2. The issue, periodically or occasionally, of any subsidiary or other publications relating to legal subjects which it may be considered expedient to combine with the publication of such reports, including the Statutes of the Realm, or any part thereof, if deemed expedient.

The principal activities of the Council are the publication of *The Law Reports*, *The Weekly Law Reports*, *The Industrial Cases Reports*, *The Business Law Reports* and *The Public and Third Sector Law Reports*. Following Practice Directions from Lord Woolf in 2001 and Lord Judge in 2012, the Official Law Reports must always be cited in preference to other law reports. The function to publish law reports of judicial decisions of the superior and appellate courts in England and Wales makes a significant contribution to the administration of justice in England and Wales. This independent role is free from political and shareholder influence.

The Council was formed in 1865, incorporated on 28 July 1870, registered as a charity on 17 November 1971, and is now a company limited by guarantee and not having a share capital. The liability of members is limited to ten pounds per member.

The Council's primary object is, in substance, to record in a reliably accurate manner the development and application of judge-made law and to disseminate the knowledge of that law, its development and judicial application, in a way which is essential to the study of the law. Its purposes in doing so are (i) to assist the administration and development of the law by the courts and (ii) to make the law known, or at least accessible, to all members of the community, including professional lawyers whose advice on legal matters is likely to be sought by other members of the community, thereby making a sound knowledge and understanding of the law more available to all. In 1971 those purposes were held by the Court of Appeal in *Incorporated Council of Law Reporting for England and Wales v Attorney-General* [1972] Ch 73, 88, 95, 104 to be of "general public utility" and "beneficial to the community". Nothing has changed in any relevant respect since 1971 and the Council continues to believe that substantial public benefit results from those activities.



# **THE INCORPORATED COUNCIL OF LAW REPORTING FOR ENGLAND AND WALES**

## **REPORT OF THE COUNCIL (continued)**

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### **OBJECTS AND PRINCIPAL ACTIVITIES (continued)**

The Council is run on a not-for-profit basis whilst offering preferential rates in respect of its publications to students, law lecturers and other charities. The trustees have taken due regard of the information issued by the Charity Commission on public benefit.

### **FINANCIAL REVIEW**

These accounts are prepared under the historical cost convention as modified by the valuation of investments to market value, in accordance with applicable accounting standards and to comply with the Statement of Recommended Practice issued by the Charity Commissioners for England and Wales.

Income in 2016 at £4,846,608 was £83,697 (1.7%) lower than in 2015. The lower income is primarily attributable to the continuing fall in demand for print publications.

Costs have been kept under tight control. Total expenditure at £4,745,556 was £153,060 (3.1%) lower than in 2015.

This has resulted in an operating surplus of £101,052, slightly better than the £31,689 operating surplus in 2015.

There was a reduction of £405k in unrestricted funds to £1,601k, primarily due to an increase in the accounting calculation of the pension fund deficit by £629k.

### **KEY MANAGEMENT COMPENSATION POLICY**

The members of Council have identified the Chief Executive Officer, Editor, Head of Product Development and Online Content and Head of Marketing and Customer Experience as key management personnel of the charity and they are in charge of directing and controlling, running and operating the charity on a day to day basis.

The pay of all staff is reviewed annually and normally increased in line with inflation.

### **RISKS**

A risk register is maintained and regularly reviewed at Council meetings. Areas currently identified with significant inherent risk include the risk that demand for ICLR content on paper declines to a level that results in an unsustainable loss and the risk that operational or archive data is lost. Controls have been put in place to mitigate these risks and include developing alternative sources of revenue and ensuring data is regularly backed up and held in multiple locations.

### **INVESTMENT POLICY**

Quilter Cheviot were appointed discretionary managers for the Council's investment portfolio in September 2015. The investment strategy falls within the wealth preservation category including a mixture of asset classes (approximate breakdown: UK equities (40%), overseas equities (30%), fixed interest (15%), property and infrastructure (15%)). The trustees have the performance of the investment managers under review.

### **DEFINED BENEFIT PENSION SCHEME**

The Council operates a defined benefit pension scheme that was closed to new members in 1999 and closed to future accrual in 2010. The net liability for defined benefit pension scheme obligations has increased from £1.2 million at 31 December 2015 to £1.8 million at 31 December 2016. This increase in obligations of £0.6 million is largely due to the reduction in the discount rate applied to the scheme liabilities which has reduced by 120 basis points. The Council continues to contribute £135k per annum to reduce the deficit. The pension scheme trustees consider that this level of contribution is sufficient to meet the liabilities of the scheme. This view is supported by the scheme actuary.

**THE INCORPORATED COUNCIL OF LAW REPORTING  
FOR ENGLAND AND WALES**

**REPORT OF THE COUNCIL (continued)**

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**FUTURE DEVELOPMENTS**

The Council will continue to seek to improve the efficiency of the publishing process and will explore new opportunities for expanding the Council's content in order to meet customers' demands. ICLR expanded its coverage of cases in 2016 by extending The Weekly Law Reports with an online only fourth volume. Case coverage will further expand with an increase in the number of transcripts being published online in 2017.

**RESERVES**

Free reserves, being total unrestricted reserves less tangible fixed assets, plus the pension fund deficit stand at £1,662,588 (2015: £1,499,369). The free reserves provide working capital for the operations of the charity and the Trustees consider that an ideal level of reserves would amount to a full year's worth of expenditure (£4.7m), although it is recognised that with the current economic conditions this level is unlikely to be reached in the foreseeable future. Amounts tied up in tangible fixed assets are excluded because they are not readily available to the charity for spending. The pension fund deficit will be dealt with through adjusting contributions over a period of years.

**TANGIBLE ASSETS**

The movements in tangible assets during the year are set out in note 11 to the accounts. The Trustees are aware that there is a material favourable difference between the disclosed carrying value of freehold properties (£1.5m) in these accounts and the current market value, but do not believe that there is value, commensurate with the associated cost, in ascertaining that market value at this time.

**AUDITOR**

A resolution proposing that haysmacintyre be reappointed for the ensuing year will be presented to the Annual General Meeting.

**STATEMENT OF THE COUNCIL**

The Council members have confirmed that so far as they are aware, there is no relevant audit information of which the charitable company's auditor is unaware and that they have taken all the reasonable steps that they ought to have taken as members in order to make themselves aware of any such relevant audit information and to establish that the charitable company's auditor is aware of that information.

**APPRECIATION**

The Council wishes to express its thanks to Her Majesty's Judges and to both branches of the Profession for the aid afforded by them to the Editors and Reporters in the discharge of their duties and to record their appreciation of the efforts of the Editors, Reporters, and staff in maintaining the quality of the publications.

**By Order of the Council**



K Laws  
Company Secretary

Date: 6 June 2017



**THE INCORPORATED COUNCIL OF LAW REPORTING  
FOR ENGLAND AND WALES**

**STATEMENT OF RESPONSIBILITIES OF THE COUNCIL**

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The trustees (who are also directors for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the net income or expenditure, of the charitable company for the year. In preparing those 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 UK 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 accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.



## **INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF THE INCORPORATED COUNCIL OF LAW REPORTING FOR ENGLAND AND WALES**

We have audited the financial statements of The Incorporated Council of Law Reporting for England and Wales for the year ended 31 December 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of Directors and Auditor**

As explained more fully in the Statement of Responsibilities of the Council, the trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2016 and of its incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006.

### **Opinion on other matters prescribed by the Companies Act 2006**

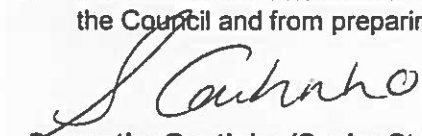
In our opinion, based on the work undertaken in the course of the audit, the information given in Report of the Council for the financial year for which the financial statements are prepared is consistent with those financial statements and has been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Council.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption in preparing the Report of the Council and from preparing a Strategic Report.

  
**Samantha Coutinho (Senior Statutory Auditor)**  
for and on behalf of haysmacintyre, Statutory Auditor  
26 Red Lion Square  
London WC1R 4AG  
Date: 6 June 2017

**THE INCORPORATED COUNCIL OF LAW REPORTING  
FOR ENGLAND AND WALES**

**STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	2016 £	2015 £
<b>INCOME FROM:</b>			
<i>Charitable activities</i>			
Sales of print publications	3	1,185,792	1,339,663
Online, licensing and other income	3	3,552,891	3,482,512
<i>Investments</i>			
Interest receivable		8,477	16,287
Listed investments		45,448	37,843
<i>Other</i>			
Rental income		54,000	54,000
<b>TOTAL</b>		<b>4,846,608</b>	<b>4,930,305</b>
<b>EXPENDITURE ON:</b>			
<i>Raising funds</i>			
Cost of servicing investments		-	-
<i>Charitable activities</i>			
Costs of publications and services	4	4,643,357	4,783,991
Distribution costs	4	102,199	114,625
<b>TOTAL</b>		<b>4,745,556</b>	<b>4,898,616</b>
<b>Net income for the year before investment losses</b>		<b>101,052</b>	<b>31,689</b>
Net gains/(losses) on investments	11	214,510	(36,639)
<b>Net income/(expenditure) for the year before other gains/(losses)</b>		<b>315,562</b>	<b>(4,950)</b>
Remeasurement of net defined benefit pension liability	15	(721,000)	474,000
<b>Net movement in funds for the year</b>		<b>(405,438)</b>	<b>469,050</b>
Funds brought forward at 1 January	14	2,006,777	1,537,727
<b>Funds carried forward at 31 December</b>	<b>14</b>	<b>1,601,339</b>	<b>2,006,777</b>

All gains and losses arising in the year are included in the Statement of Financial Activities above and arose from continuing activities.

**BALANCE SHEET**

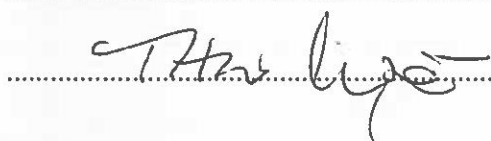
**AS AT 31 DECEMBER 2016**

	Notes	£	2016 £	£	2015 £	£
<b>FIXED ASSETS</b>						
Tangible assets	10		1,730,751		1,670,408	
Investments	11		1,597,035		1,156,984	
			<u>3,327,786</u>		<u>2,827,392</u>	
<b>CURRENT ASSETS</b>						
Stock		70,618		73,578		
Debtors	12	1,962,918		2,054,724		
Cash at bank and in hand		1,434,717		1,555,924		
		<u>3,468,253</u>		<u>3,684,226</u>		
<b>CREDITORS: Amounts falling due within one year</b>	13	<u>(3,402,700)</u>		<u>(3,341,841)</u>		
<b>NET CURRENT ASSETS</b>			<u>65,553</u>		<u>342,385</u>	
<b>NET ASSETS excluding pension liability</b>			<u>3,393,339</u>		<u>3,169,777</u>	
Pension liability	15		<u>(1,792,000)</u>		<u>(1,163,000)</u>	
<b>NET ASSETS</b>			<u><u>1,601,339</u></u>		<u><u>2,006,777</u></u>	
<b>FUNDS</b>						
Unrestricted funds						
- Accumulated reserve	14		3,393,339		3,169,777	
- Pension reserve	14		(1,792,000)		(1,163,000)	
Designated funds						
- Revaluation reserve	14		-		-	
			<u><u>1,601,339</u></u>		<u><u>2,006,777</u></u>	

The financial statements were approved and authorised for issue by the Council and were signed on its behalf on 6 June 2017



.....R FLECK, Chairman



.....T H W PIPER, Vice Chairman

**THE INCORPORATED COUNCIL OF LAW REPORTING  
FOR ENGLAND AND WALES**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

	<b>Note</b>	<b>2016 £</b>	<b>2015 £</b>
<b>Cash flows from operating activities:</b>			
<b>Net cash provided by operating activities</b>	<b>a</b>	<b>165,125</b>	<b>130,116</b>
<b>Cash flows from investing activities:</b>			
Dividends and interest		53,924	54,130
Purchase of property, plant and equipment		(114,715)	(107,475)
Proceeds from sale of investments		145,974	193,820
Purchase of investments		(371,515)	(287,380)
<b>Net cash used in investing activities</b>		<b>(286,332)</b>	<b>(146,905)</b>
Change in cash and cash equivalents in the reporting period		(121,207)	(16,789)
Cash and cash equivalents at the beginning of the reporting period	<b>b</b>	1,555,924	1,572,713
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>b</b>	<b>1,434,717</b>	<b>1,555,924</b>
<b>a) Reconciliation of net expenditure to net cash flow from operating activities</b>			
<b>Net expenditure for the year (as per the statement of financial activities)</b>		<b>315,562</b>	<b>(4,950)</b>
<b>Adjustments for:</b>			
Depreciation charges		45,504	157,573
(Losses)/gains on investments		(214,510)	36,639
Dividends and interest from investments		(53,924)	(54,130)
Decrease/(increase) in stock		2,960	(39,738)
Decrease in debtors		92,436	72,572
Increase in creditors		60,859	38,150
Fixed asset write off		8,238	-
Difference between pension movement and cash contributions		(92,000)	(76,000)
<b>Net cash provided by operating activities</b>		<b>165,125</b>	<b>130,116</b>
<b>b) Analysis of cash and cash equivalents</b>			
Cash in hand		434,717	455,924
Notice deposits (less than 3 months)		1,000,000	1,100,000
<b>Total cash and cash equivalents</b>		<b>1,434,717</b>	<b>1,555,924</b>



**THE INCORPORATED COUNCIL OF LAW REPORTING  
FOR ENGLAND AND WALES**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2016**

**1 ACCOUNTING POLICIES**

**(a) General information**

The Incorporated Council of Law Reporting for England and Wales ("the Council") is a charitable company limited by guarantee incorporated in England and Wales (co. number 5034) and registered with the Charity Commission (Charity Registration no. 250605). The Council's registered office address is Megarry House, 119 Chancery Lane, London WC2A 1PP.

**(b) Accounting convention and basis of preparation**

The financial statements have been prepared under the historical cost convention, with the exception of fixed asset investments, which are included at their market value at the balance sheet date. The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (SORP 2016), the Companies Act 2006 and applicable accounting standards (FRS 102).

The Council meets the definition of a public benefit entity under FRS 102.

**(c) Going concern**

The trustees consider that there are no material uncertainties regarding the Council's ability to continue as a going concern.

**(d) Income**

All income, including income from publications, subscriptions and licensing agreements is accrued and included in the Statement of Financial Activities when the Council is legally entitled to (or has received) the income and the amount can be quantified with reasonable accuracy. Income received relating to future accounting periods is deferred and recognised as a creditor within the balance sheet. Subscriptions in respect of the following financial year are raised in advance and are due for payment by 31 December and these are shown within trade debtors and deferred income.

**(e) Expenditure**

Expenditure is accounted for on an accruals basis.

Direct charitable expenditure relates to salaries and expenditure incurred in preparing, publishing and distributing content and related services.

Support costs consist of central management, administration and governance costs. The amount spent on raising funds and other activities is considered to be immaterial and all support costs are allocated to costs of publications and services within charitable activities.

**(f) Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is provided on all tangible assets, other than freehold land, to write off the cost, less estimated residual value of each asset over its expected useful life on a straight-line basis using the following rates:

Freehold land	-	nil
Freehold buildings	-	2%
Fixtures and fittings	-	10%
Electrical and computer equipment	-	20%
Online Platform and Content Management System	-	20%

**(g) Investments**

Investments are included at market value on the Balance Sheet date. Net gains or losses on revaluation and disposal of investments are included in the Statement of Financial Activities.



**1 ACCOUNTING POLICIES (continued)**

**(h) Stock**

Stock is valued at the lower of cost and net realisable value.

**(i) Financial instruments – assets and liabilities**

*Cash and cash equivalents*

Cash and cash equivalents includes cash in hand, deposits held at banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within current liabilities.

*Debtors and creditors*

Debtors and creditors with no stated interest rates are recorded at transaction price. Any losses arising from impairment are recognised in the Statement of Financial Activities.

**(j) Employee benefits**

The Council provides a range of benefits to employees including paid holiday arrangements and defined benefit and defined contribution pension plans.

*Short term benefits*

Short term benefits, including holidays and other similar non-monetary benefits are recognised as an expense in the period in which the service is received.

*Defined contribution pension plans*

The Council operates a group personal pension scheme under which the Council makes fixed contributions to a separate entity. The Council also makes contributions to self-employed reporters appointed prior to 1989 which they invest in personal pension schemes. The contributions are recognised as an expense when they fall due. The assets of the pension plans are held separately from the Council in independently administered funds.

*Defined benefit pension scheme*

The Council has a defined benefit pension scheme for employees that was closed to future accrual on 15<sup>th</sup> June 2010, the assets of which are administered by trustees.

The liability recognised in the balance sheet in respect of the defined benefit pension scheme is the present value of the defined benefit obligation at the end of the reporting date less the fair value of the scheme assets at the reporting date.

The defined benefit obligation is calculated using the projected unit credit method. Annually the Council engages an independent actuary to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of the future periods ("discount rate").

The fair value of the scheme assets is measured in accordance with the FRS 102 fair value hierarchy and includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as "remeasurement of net defined benefit pension liability".

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of the scheme assets. The cost is recognised within other pension costs in the Statement of Financial Activities.

**THE INCORPORATED COUNCIL OF LAW REPORTING  
FOR ENGLAND AND WALES**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**YEAR ENDED 31 DECEMBER 2016**

**2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Council's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key areas subject to judgement and estimation are as follows:

**Defined benefit pension scheme**

The Council has obligations to pay pension benefits under a defined benefit pension scheme. The cost of these benefits are the present value of the obligation depend on a number of factors including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates the factors in determining the net pension obligation in the balance sheet, and the assumptions are agreed with the scheme's actuary on the basis of historical experience and current trends.

**3. INCOME FROM CHARITABLE ACTIVITIES**

	2016 £	2015 £
A geographical division of charitable income is given below:		
United Kingdom	3,663,524	3,801,303
Overseas	1,075,159	1,020,872
	<u>4,738,683</u>	<u>4,822,175</u>

**4. COST OF CHARITABLE ACTIVITIES**

	Direct Fees and Salaries £	Other Direct Costs £	Support Costs (Note 5) £	2016 Total £	2015 Total £
Costs of publications and services	2,686,619	904,719	1,052,019	4,643,357	4,783,991
Distribution costs	-	102,199	-	102,199	114,625
<b>Total</b>	<u>2,686,619</u>	<u>1,006,918</u>	<u>1,052,019</u>	<u>4,745,556</u>	<u>4,898,616</u>
Total 2015	<u>2,627,497</u>	<u>1,171,612</u>	<u>1,099,507</u>		

**5. SUPPORT COSTS**

	2016 £	2015 £
Salaries, wages, NI, health insurance and pension costs	639,815	602,174
Office rent and running costs	62,112	78,227
Office supplies and services	169,658	144,733
Depreciation	45,504	159,421
Miscellaneous	126,430	105,717
Governance costs – audit fees	8,500	9,235
	<u>1,052,019</u>	<u>1,099,507</u>

**THE INCORPORATED COUNCIL OF LAW REPORTING  
FOR ENGLAND AND WALES**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**YEAR ENDED 31 DECEMBER 2016**

<b>6. NET INCOME FOR THE FINANCIAL YEAR</b>	<b>2016 £</b>	<b>2015 £</b>
Net income for the financial year is stated after charging the following:		
Depreciation of tangible assets	45,504	157,573
Auditor's remuneration:		
- audit	<u>8,500</u>	<u>9,235</u>
<b>7. FEES AND SALARIES</b>	<b>2016 £</b>	<b>2015 £</b>
Salaries and wages for:		
Employed reporters	1,036,827	1,159,103
Other staff	<u>1,050,432</u>	<u>843,020</u>
	<b>2,087,259</b>	<b>2,002,123</b>
Social security costs	224,252	221,825
Other pension costs	294,736	322,113
Staff healthcare costs	<u>51,745</u>	<u>52,575</u>
	<b>2,657,992</b>	<b>2,598,636</b>
Self-employed reporters' fees	<u>682,112</u>	<u>656,642</u>
	<b><u>3,340,104</u></b>	<b><u>3,255,278</u></b>

The Council has made termination payments in the current and previous years but have not disclosed these in the financial statements as it is bound by confidentiality agreements in both years. The trustees acknowledge that non-disclosure of these amounts is a departure from the requirements of the SORP but as the amounts are not considered to be material to the financial statements, these still present a true and fair view of the affairs of the Council.

	<b>2016 Number</b>	<b>2015 Number</b>
The average number of people employed by the Council during the year was:		
Other staff	21	20
Reporters	<u>24</u>	<u>22</u>
Permanent employees	45	42
Self employed editors and reporters	<u>9</u>	<u>9</u>
	<b><u>54</u></b>	<b><u>51</u></b>
The emoluments of higher paid staff within the following range were:		
£60,000 - £69,999	4	2
£70,000 - £79,999	1	2
£80,000 - £89,999	1	1
£90,000 - £99,999	1	-
£120,000 - £129,999	<u>1</u>	<u>1</u>

Pension contributions of higher paid staff were £63,980 (2015: £56,009).

The key management personnel of the Council consist of the four (2015: three) members of the senior management team. Total compensation for key management personnel for the year was £415,420 (2015: £334,504).



**THE INCORPORATED COUNCIL OF LAW REPORTING  
FOR ENGLAND AND WALES**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**YEAR ENDED 31 DECEMBER 2016**

**8. COUNCIL MEMBERS' REMUNERATION AND TRANSACTIONS**

No members of the Council received any remuneration during the year (2015: £nil). One member of the Council was reimbursed £188 in respect of travelling expenses incurred in performing his duty (2015: no members received expenses).

**9. TAXATION**

The company is a registered charity and, as its income is applied to charitable purposes, there is no liability to corporation tax.

**10. TANGIBLE ASSETS**

	<b>Freehold land and buildings £</b>	<b>Fixtures and fittings £</b>	<b>Electrical and computer equipment £</b>	<b>Online sales platform £</b>	<b>Total £</b>
<b>Cost</b>					
At 1 January 2016	2,178,224	133,370	96,679	774,269	3,182,542
Additions	-	759	4,601	109,355	114,715
Disposals	-	-	(26,073)	(8,868)	(34,941)
At 31 December 2016	2,178,224	134,129	75,207	874,756	3,262,316
<b>Accumulated depreciation</b>					
At 1 January 2015	659,209	109,556	72,032	671,337	1,512,134
Charge for the year	4,772	5,292	16,501	18,939	45,504
Disposals	-	-	(26,073)	-	(26,073)
At 31 December 2016	663,981	114,848	62,460	690,276	1,531,565
<b>Net book values</b>					
At 31 December 2016	1,514,243	19,281	12,747	184,480	1,730,751
At 31 December 2015	1,519,015	23,814	24,647	102,932	1,670,408

All assets are considered to be held for charitable purposes.

**THE INCORPORATED COUNCIL OF LAW REPORTING  
FOR ENGLAND AND WALES**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**YEAR ENDED 31 DECEMBER 2016**

<b>11. INVESTMENTS</b>	<b>Fixed interest stock £</b>	<b>Listed investments £</b>	<b>Total £</b>
<b>Analysis of movements in the year</b>			
Market value at 1 January 2016	146,641	1,010,343	1,156,984
Additions at cost	25,251	346,264	371,515
Disposals at market value	-	(145,974)	(145,974)
Realised gain on disposal	-	(14,497)	(14,497)
Unrealised gain/(loss) on revaluation	10,841	218,166	229,007
	<u>182,733</u>	<u>1,414,302</u>	<u>1,597,035</u>
<b>Market value</b>			
At 31 December 2016	<u>182,733</u>	<u>1,414,302</u>	<u>1,597,035</u>
<b>Cost</b>			
At 31 December 2016	<u>151,075</u>	<u>1,060,987</u>	<u>1,212,062</u>
At 31 December 2015	<u>151,075</u>	<u>826,843</u>	<u>977,918</u>
<b>12. DEBTORS</b>		<b>2016 £</b>	<b>2015 £</b>
<b>Due within one year:</b>			
Trade debtors		1,834,244	1,868,951
Other debtors		40,391	40,425
Prepayments		71,653	130,010
Accrued income		16,000	15,338
		<u>1,962,288</u>	<u>2,054,724</u>
<b>13. CREDITORS</b>		<b>2016 £</b>	<b>2015 £</b>
<b>Amounts falling due within one year:</b>			
Trade creditors		128,300	149,611
Other creditors		507,099	416,065
Tax and social security		298,347	297,638
Income received in advance		2,468,954	2,478,527
		<u>3,402,700</u>	<u>3,341,841</u>
<b>14. FUNDS</b>	<b>Accumulated Fund £</b>	<b>Pension Reserve £</b>	<b>Total £</b>
Balance brought forward at 1 January 2016	3,169,777	(1,163,000)	2,006,777
Transfers between funds	-	-	-
Surplus/(deficit) for the year	223,562	(629,000)	(405,438)
Balance as at 31 December 2016	<u>3,393,339</u>	<u>(1,792,000)</u>	<u>1,601,339</u>

Included within the accumulated fund are unrealised gains on investments totalling £214,510 (2015: £179,067).



**THE INCORPORATED COUNCIL OF LAW REPORTING  
FOR ENGLAND AND WALES**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**YEAR ENDED 31 DECEMBER 2016**

**15. PENSIONS**

**(i) Pension and Life Assurance Scheme**

The company operates a defined benefit pension scheme in the UK, the Incorporated Council of Law Reporting for England and Wales Pension and Life Assurance Scheme (1975), in respect of office, editorial and warehouse staff, and reporters appointed subsequently to 6 April 1989. The assets of the scheme are held separately from those of the company, being invested in various investment vehicles with Royal London and Quilter Cheviot. The scheme was closed to new members in October 2001 and to future accrual on 15<sup>th</sup> June 2010. The pension contribution for the year was £135,000 (2015: £135,000) which included deficit recovery payments totalling £135,000 (2015: £135,000).

The most recent triennial review as at 1 April 2013 stated that the value of the scheme assets was £5,733,000 which represented 74% of the benefits that had accrued to members, after allowing for future increases in earnings. This is equivalent to a deficit of £1,996,000. The scheme's funding level was updated to 1 December 2013. At 1 December 2013 the updated deficit was £1,260,000. The major assumptions used in the valuation as at 1 April 2013 are given below.

Rate of increase of salaries	3.5% pa
Rate of increase of pensions in payment	3.0% pa
Discount Rate – before retirement	4.2% pa
Discount Rate – after retirement	3.4% pa
Retail price index	3.2% pa
Consumer price index	2.6% pa

A Recovery Plan has been agreed with the company, which commits the company to paying contributions to fund the shortfall. These deficit reduction contributions are incorporated into the plan's Schedule of Contributions dated 7 January 2014 and require the company to make contributions of £33,750 per quarter up to and including October 2025. These payments are subject to review following the next funding valuation, being undertaken as at 1 April 2016 which is not yet complete.

For the purpose of providing the disclosures required by Financial Reporting Standard 102, the Scheme actuary has prepared a valuation of the Scheme using the projected unit method in order to assess the liabilities of the Scheme at 31 December 2016. The major assumptions used by the actuary as at 31 December 2016 were as follows:

	<b>31 December 2016</b>	<b>31 December 2015</b>
Discount Rate	2.7%	3.9%
Salary increases	3.4%	3.3%
LPI Pension increases	3.3%	3.2%
Retail price index	3.4%	3.3%
Consumer price index	2.4%	2.3%

**Mortality assumptions**

The underlying mortality assumption is based upon the standard table known as S2PA on a year of birth usage with CMI\_2015 future improvement factors and a long-term rate of future improvement of 1.0% p.a. (2015: 93% of S1NA with CMI\_2012 future improvement factors and a long-term future improvement rate of 1% p.a.). This results in the following life expectancies:

Life expectancy for a current 65 year old - males	<b>87 years</b>	<b>87 years</b>
- females	<b>89 years</b>	<b>90 years</b>

**THE INCORPORATED COUNCIL OF LAW REPORTING  
FOR ENGLAND AND WALES**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**YEAR ENDED 31 DECEMBER 2016**

**15 PENSIONS (continued)**

**Amounts Recognised in the Balance Sheet**

	<b>31 December 2016</b>	<b>31 December 2015</b>
	<b>£</b>	<b>£</b>
Market value of assets	7,499,000	6,494,000
Present value of scheme liabilities	(9,291,000)	(7,657,000)
<b>Recognised pension liability</b>	<b>(1,792,000)</b>	<b>(1,163,000)</b>

**Amounts Recognised in the Income and Expenditure account**

	<b>31 December 2016</b>	<b>31 December 2015</b>
	<b>£</b>	<b>£</b>
Current service cost	-	-
Interest cost on net defined benefit liability	43,000	59,000
<b>Total charge</b>	<b>43,000</b>	<b>59,000</b>
Actual return on scheme assets	955,000	204,000

**Changes in the present value of the scheme liabilities**

	<b>31 December 2016</b>	<b>31 December 2015</b>
	<b>£</b>	<b>£</b>
Opening present value of liabilities	7,657,000	7,961,000
Current employer service costs	-	-
Interest cost on scheme liabilities	297,000	285,000
Actuarial losses/(gains)	1,422,000	(496,000)
Benefits paid	(85,000)	(93,000)
<b>Closing present value of liabilities</b>	<b>9,291,000</b>	<b>7,657,000</b>

**Changes in the fair value of Scheme Assets**

	<b>31 December 2016</b>	<b>31 December 2015</b>
	<b>£</b>	<b>£</b>
Opening fair value of Scheme Assets	6,494,000	6,248,000
Interest on scheme assets	254,000	226,000
Return on assets less interest included in I&E	701,000	(22,000)
Employer contributions	135,000	135,000
Member contributions	-	-
Benefits paid	(85,000)	(93,000)
<b>Closing fair value of Scheme Assets</b>	<b>7,499,000</b>	<b>6,494,000</b>

**THE INCORPORATED COUNCIL OF LAW REPORTING  
FOR ENGLAND AND WALES**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**YEAR ENDED 31 DECEMBER 2016**

**15 PENSIONS (continued)**

The major categories of Scheme assets as a percentage of total Scheme assets are as follows:

	<b>At 31 December 2016</b>	<b>At 31 December 2015</b>
Equities and Property	68%	66%
Bonds	30%	31%
Cash	2%	3%
<b>Total</b>	<b>100%</b>	<b>100%</b>

The scheme has no investment in property occupied by, assets used by or financial instruments issued by the charitable company.

**Analysis of amount recognisable in other recognised gains and losses**

	<b>31 December 2016 £</b>	<b>31 December 2015 £</b>
Return on assets, less interest recognised in I&E	701,000	(22,000)
Experience gains and losses arising on scheme liabilities	447,000	187,000
Changes in assumptions underlying the present value of scheme liabilities	(1,869,000)	309,000
<b>Remeasurement of net defined benefit pension liability recognised in other recognised gains and losses</b>	<b>(721,000)</b>	<b>474,000</b>

**Movement in deficit during the year**

	<b>31 December 2016 £</b>	<b>31 December 2015 £</b>
<b>Net defined benefit liability at start of year</b>	<b>(1,163,000)</b>	<b>(1,713,000)</b>
Income and expenditure charge	(43,000)	(59,000)
Remeasurement of net defined benefit pension liability recognised in other recognised gains and losses	(721,000)	474,000
Employer contributions	135,000	135,000
<b>Net defined benefit liability at end of year</b>	<b>(1,792,000)</b>	<b>(1,163,000)</b>

**(ii) ICLR Group Personal Pension Plan (GPPP)**

ICLR operates a defined contribution pension scheme for eligible employees. From 1<sup>st</sup> March 2015, all eligible employees are automatically enrolled into the scheme and ICLR contributes between 4% and 13.5% of pensionable salaries. The pension charge for the year to the ICLR GPPP was £220,641 (2015: £222,160). Contributions totalling £18,654 (2015: £18,396) were payable in respect of this scheme at the balance sheet date and are included in creditors.

**(iii) Retirement reserve for appointed reporters**

The Council pays annual pension increments to self-employed reporters appointed prior to April 1989 which they invest in their individual pension arrangements. The charge for the year, included in cost of publications and services, was £73,670 (2015: £72,404). Contributions totalling £55,957 (2015: £54,834) were payable in respect of this scheme at the balance sheet date and are included in creditors.

**THE INCORPORATED COUNCIL OF LAW REPORTING  
FOR ENGLAND AND WALES**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**YEAR ENDED 31 DECEMBER 2016**

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**16 CAPITAL COMMITMENTS**

At the balance sheet date, the Council had future capital commitments of £86,695 relating to an ongoing project.

**17 LEASE RENTALS RECEIVABLE**

The Council lets part of its freehold buildings under a lease agreement. The future minimum lease rentals receivable under non-cancellable operating leases at the balance sheet date are as follows:

	2016 £	2015 £
Minimum lease rentals receivable in:		
less than one year	55,500	55,500
two to five years	222,000	222,000
more than five years	99,900	155,400
	<u>377,400</u>	<u>432,900</u>

These future rents are subject to break clauses and rent review every five years. No contingent rents have been included in this disclosure or recognised in the period.