



THE INNER TEMPLE BENEFACTORS'
SCHOLARSHIP FUND

Financial Statements

31st December 2016

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 2016

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 25 scholarships and prizes to individuals during the year totalling £21,600 (2015 - £25,100).
- The Pegasus Scholarship Trust Fund awarded 26 scholarships and prizes in the year totalling £72,134 (2015 - £84,522).
- The Peter Taylor Scholarship Fund awarded one scholarship of £20,000 (2015 - £20,000).

Financial review

All revenues are used for charitable activities.

Investment income remained at a relatively low level during 2016 but there were gains in the market value of investments. The overall return was 16.5%.

In 2016 the Benefactors' Fund received the following generous donations:

£5,000 from the Monica Rabagliati Charitable Trust for the Sir Joseph Priestley Scholarship, £1,500 from Mr E. Winters, £1,000 from Sir Bernard and Lady Rix, various donations towards the Nicholas Jarman Fund and £225 from the estate of Gerald Lumley to the Pegasus Scholarship Fund. Thanks to the donation from Mr Winters a new award of £1,875 was paid out in the name of the Solk Award.

The Inner Temple Benefactors' Scholarship Fund

Report of the Trustees

for the year ended 31st December 2016 (continued)

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 £3,608,005 (2015 – 3,168,691) including restricted income reserves of £159,211 (2015 - £201,346).

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 16.5% net of fees. Investment income on Charity 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 the 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.

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.

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 student and young 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.

The Inner Temple Benefactors' Scholarship Fund

Report of the Trustees for the year ended 31st December 2016 (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(e) 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 14 th 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 13 th March 1988 The Peter Taylor Scholarship Fund is governed by regulations dated 23 rd 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 The Hon Sir Michael Tugendhat The Hon Mr Justice Nugee 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 The Hon Sir Michael Tugendhat The Hon Mr Justice Nugee | |
| 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 Clark Whitehill LLP St Bride's House 10 Salisbury Square London EC4Y 8EH | |
| 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 2016 (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 young 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 judgments 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 *26 October* 2017 and signed on their behalf:



The Hon Mr Justice Nugee
Trustee

The Inner Temple Benefactors' Scholarship Fund

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

We have audited the financial statements of The Inner Temple Benefactors' Scholarship Fund for the year ended 31 December 2016 set out pages 6 to 15.

The financial reporting framework that has been applied in their preparation is applicable law and FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the charity's Trustees, as a body, in accordance with section 154 of the Charities Act 2011. 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.

Respective responsibilities of Trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Report by the Chairman of the Finance Sub-Committee to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2016 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Annual Report of the Trustees is inconsistent in any material respect with the financial statements; 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.

Crowe Clark Whitehill LLP

Crowe Clark Whitehill LLP

Statutory Auditor

London

31.10.17

The Inner Temple Benefactors' Scholarship Fund

Statement of Financial Activities for the year ended 31st December 2016

| | Notes | Restricted Income £ | Expendable Endowment £ | Permanent Endowment £ | Total 2016 £ | Restricted Income £ | Expendable Endowment £ | Permanent Endowment £ | Total 2015 £ |
|---|-------|---------------------------|------------------------------|-----------------------------|--------------------|---------------------------|------------------------------|-----------------------------|--------------------|
| Incoming resources | | | | | | | | | |
| Donations and legacies | | 29,155 | - | - | 29,155 | 85,777 | - | - | 85,777 |
| Other trading activities | 2(a) | 78,000 | - | - | 78,000 | 70,000 | - | - | 70,000 |
| Income from investments | 2(b) | 45,835 | - | - | 45,835 | 60,091 | - | - | 60,091 |
| Other Income | | 27 | - | - | 27 | 22 | - | - | 22 |
| Total income and endowments | | 153,017 | - | - | 153,017 | 215,890 | - | - | 215,890 |
| Expenditure on raising funds | | | | | | | | | |
| Investment managers' charges | | 22,122 | - | - | 22,122 | 20,482 | - | - | 20,482 |
| Bank charges and office costs | | 265 | - | - | 265 | 373 | - | - | 373 |
| | | 22,387 | - | - | 22,387 | 20,855 | - | - | 20,855 |
| Expenditure on charitable activities | | | | | | | | | |
| Scholarship payable | 3 | 113,734 | - | - | 113,734 | 129,622 | - | - | 129,622 |
| Contribution to purchase library books | | 468 | - | - | 468 | 1,751 | - | - | 1,751 |
| | | 114,202 | - | - | 114,202 | 131,373 | - | - | 131,373 |
| Support cost | 4 | 42,479 | - | - | 42,479 | 40,533 | - | - | 40,533 |
| Total expenditure | | 179,068 | - | - | 179,068 | 192,761 | - | - | 192,761 |
| Net gains on investments | 5d | - | 287,282 | 178,083 | 465,365 | - | 85,402 | 18,269 | 103,671 |
| Net (expenditure)/ income | | (26,051) | 287,282 | 178,083 | 439,314 | 23,129 | 85,402 | 18,269 | 126,800 |
| Transfer between funds | | (16,084) | 39,972 | (23,888) | - | - | - | - | - |
| Net movement in funds | | (42,135) | 327,254 | 154,195 | 439,314 | 23,129 | 85,402 | 18,269 | 126,800 |
| Fund balances brought forward | | | | | | | | | |
| At 1 st January 2016 | | 201,346 | 2,008,902 | 958,443 | 3,168,691 | 178,217 | 1,923,500 | 940,174 | 3,041,891 |
| Fund balances carried forward | | | | | | | | | |
| At 31 st December 2016 | | 159,211 | 2,336,156 | 1,112,638 | 3,608,005 | 201,346 | 2,008,902 | 958,443 | 3,168,691 |

All the above amounts relate to continuing activities.

The notes on pages 9 to 15 form part of these financial statements.

The Inner Temple Benefactors' Scholarship Fund

Balance Sheet as at 31st December 2016

| | Notes | Restricted Income £ | Expendable Endowment £ | Permanent Endowment £ | Total 2016 £ | Total 2015 £ |
|--|---------|---------------------------|------------------------------|-----------------------------|--------------------|--------------------|
| Fixed assets | | | | | | |
| Investments | 5 | - | 2,336,156 | 1,112,638 | 3,448,794 | 3,015,660 |
| Current assets | | | | | | |
| Debtors | 6 | 74,780 | - | - | 74,780 | 53,737 |
| Cash at bank and in hand | 7 | 387,653 | - | - | 387,653 | 360,700 |
| | | <u>462,433</u> | | | <u>462,433</u> | <u>414,437</u> |
| Creditors: amounts falling due | | | | | | |
| Within one year | 8 | (303,222) | - | - | (305,222) | (261,406) |
| Net current assets/ (liabilities) | | <u>159,211</u> | <u>-</u> | <u>-</u> | <u>154,211</u> | <u>153,031</u> |
| Total assets less current liabilities | 10 | <u>159,211</u> | <u>2,336,156</u> | <u>1,112,638</u> | <u>3,608,005</u> | <u>3,168,691</u> |
| Represented by: | | | | | | |
| The Benefactors' Fund | | 76,366 | - | 556,674 | 633,040 | 560,880 |
| The Peter Taylor Fund | | 44,927 | - | 345,353 | 390,280 | 334,481 |
| The Woolfe Summerfield Fund | | - | - | 210,611 | 210,611 | 170,967 |
| The Pegasus Scholarship Trust Fund: | | | | | | |
| The Pegasus Fund 'A' | | 34,127 | 2,102,540 | - | 2,136,667 | 1,997,131 |
| The Pegasus Fund 'B' | | <u>3,791</u> | <u>233,616</u> | <u>-</u> | <u>237,407</u> | <u>105,232</u> |
| | 10 & 11 | <u>159,211</u> | <u>2,336,156</u> | <u>1,112,638</u> | <u>3,608,005</u> | <u>3,168,691</u> |

The financial statements on pages 6 to 15 were approved for the Trustees on *26 October* 2017 and signed on their behalf:


The Hon Mr Justice Nugee
Trustee

The notes on pages 9 to 15 form part of these financial statements.

The Inner Temple Benefactors' Scholarship Fund

Cash flow statement For the year ended 31st December 2016

| | <u>Note</u> | <u>2016</u> | <u>2015</u> |
|---|-------------|------------------|--------------------|
| <u>Net cash provided by operating activities</u> | 14 | <u>(51,141)</u> | <u>(8,618)</u> |
| <u>Cash flow from investment activities</u> | | | |
| Dividends and interest from investments | | 45,862 | 62,379 |
| Proceeds of sale of investments | | 582,905 | 1,091,383 |
| Purchase of investment | | <u>(550,673)</u> | <u>(1,058,037)</u> |
| <u>Net cash provided by investing activities</u> | | <u>78,094</u> | <u>95,703</u> |
| Cash and cash equivalents in the reporting period | | <u>26,953</u> | <u>87,085</u> |
| Cash and cash equivalents at the beginning of the reporting period | 15 | <u>360,700</u> | <u>273,615</u> |
| <u>Cash and cash equivalents at the end of the reporting period</u> | 15 | <u>387,653</u> | <u>360,700</u> |

The notes on pages 9 to 15 form part of these financial statements.

The Inner Temple Benefactors' Scholarship Fund

Notes to the financial statements for the year ended 31st December 2016

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 4.

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 judgments 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 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.

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.

The Inner Temple Benefactors' Scholarship Fund

Notes to the financial statements for the year ended 31st December 2016

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 Fund | W A Maakad Prize |
| Neville Laski Scholarship Charity | Sweet & Maxwell Prize |
| The Inner Temple Law Scholarships | Lawson Bequest |
| 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 (2015 - £17,500) towards The Pegasus Scholarship Trust Fund.

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

2(b) Investment income

| | 2016 £ | 2015 £ |
|---|-----------|-----------|
| The Inner Temple Benefactors' Scholarship Fund | | |
| UK equities | 792 | 1,206 |
| Foreign equities | 246 | 1,258 |
| Fixed interest | 2,358 | 4,395 |
| The Woolfe Summerfield Bequest Fund | | |
| UK equities | 330 | 429 |
| Foreign equities | 44 | 405 |
| Fixed interest | 644 | 1,520 |
| The Peter Taylor Fund | | |
| UK equities | 485 | 691 |
| Foreign equities | 61 | 923 |
| Fixed interest | 1,252 | 2,190 |
| The Pegasus Scholarship Trust Fund | | |
| UK equities | 13,859 | 17,334 |
| Foreign equities | 13,195 | 16,436 |
| Fixed interest | 12,569 | 13,304 |
| | <hr/> | <hr/> |
| | 45,835 | 60,091 |

The Inner Temple Benefactors' Scholarship Fund

Notes to the financial statements for the year ended 31st December 2016 (continued)

| | | |
|--|------------------|------------------|
| 3. Scholarships payable, awarded to individuals | 2016 | 2015 |
| | £ | £ |
| The Inner Temple Benefactors' Scholarship Fund: | | |
| 25 (2015: 25) | 21,600 | 25,100 |
| The Peter Taylor Scholarship Fund: 1 (2015: 1) | 20,000 | 20,000 |
| The Pegasus Scholarship Trust Fund: 26 (2015: 30) | 72,134 | 84,522 |
| | <u>113,734</u> | <u>129,622</u> |
| 4. Support cost | 2016 | 2015 |
| | £ | £ |
| Administration cost allocated by the Inner Temple | <u>42,479</u> | <u>40,533</u> |
| 5. Investments | | |
| (a) Reconciliation of movement in investment assets | 2016 | 2015 |
| | £ | £ |
| Market value at 1 st January 2016 | 3,015,660 | 2,945,335 |
| Additions to investments at cost | 523,812 | 1,058,037 |
| Less: Disposals at carrying value | (582,904) | (1,093,142) |
| Net gains on revaluation | <u>492,226</u> | <u>105,430</u> |
| Market value at 31st December 2016 | <u>3,448,794</u> | <u>3,015,660</u> |
| (b) Analysis of Investments: | 2016 | 2015 |
| | £ | £ |
| The Inner Temple Benefactors' Scholarship Fund | | |
| UK equities | 373,338 | 271,755 |
| Foreign equities | 61,274 | 61,395 |
| Fixed interest | 67,429 | 72,670 |
| Cash | 54,633 | 68,919 |
| The Woolfe Summerfield Bequest Fund | | |
| UK equities | 165,530 | 117,778 |
| Foreign equities | 10,297 | 4,940 |
| Fixed interest | 22,488 | 20,721 |
| Cash | 12,296 | 32,893 |
| The Peter Taylor Fund | | |
| UK equities | 245,442 | 182,618 |
| Foreign equities | 24,198 | 19,648 |
| Fixed interest | 45,062 | 39,113 |
| Cash | 30,651 | 50,549 |
| The Pegasus Scholarship Trust Fund | | |
| UK equities | 405,283 | 390,676 |
| Foreign equities | 1,198,432 | 1,056,433 |
| Fixed interest | 339,981 | 361,884 |
| Cash | <u>392,460</u> | <u>263,668</u> |
| | <u>3,448,794</u> | <u>3,015,660</u> |
| Historical cost at 31st December | <u>2,741,936</u> | <u>2,761,031</u> |

The Inner Temple Benefactors' Scholarship Fund

Notes to the financial statements for the year ended 31st December 2016 (continued)

The Trust's income, expense, gains and losses in respect of these financial instruments are summarised below:

| | 2016 | 2015 |
|--|---------|---------|
| | £ | £ |
| Total income for financial assets held at fair value | 3,408 | 4,121 |
| Total gains for financial assets held at fair value | 722,212 | 315,741 |
| Total losses for financial assets held at fair value | 15,354 | 61,112 |

10. Funds

(a) Permanent Endowment Funds

| | Balance at 1 Jan 2016 | Capital Additions | Gains | Transfers | Balance at 31 Dec 2016 |
|--|--------------------------|----------------------|---------|-----------|---------------------------|
| | £ | £ | £ | £ | £ |
| The Inner Temple Benefactors' Scholarship Fund | 453,007 | - | 86,435 | 17,232 | 556,674 |
| The Peter Taylor Fund | 334,474 | - | 55,799 | (44,920) | 345,353 |
| The Woolfe Summerfield Bequest Fund | 170,962 | - | 35,849 | 3,800 | 210,611 |
| | 958,443 | - | 178,083 | (23,888) | 1,112,638 |

(b) Expendable Endowment Funds

| | Balance at 1 st Jan 2016 | Capital Additions | Gains | Transfers | Balance at 31 Dec 2016 |
|------------------------------------|--|----------------------|---------|-----------|---------------------------|
| | £ | £ | £ | £ | £ |
| The Pegasus Scholarship Trust Fund | 2,008,902 | - | 287,282 | 39,972 | 2,336,156 |

(c) Income Funds

| | Balance at 1 st Jan 2016 | Incoming resources | Expenditure | Transfers | Balance at 31 st Dec 2016 |
|--|--|-----------------------|-------------|-----------|--|
| | £ | £ | £ | £ | £ |
| The Inner Temple Benefactors' Scholarship Fund | 107,873 | 13,071 | (23,551) | (21,027) | 76,366 |
| The Woolfe Summerfield Bequest Fund | 5 | 1,018 | (1,018) | (5) | - |
| The Pegasus Scholarship Trust Fund | 93,461 | 117,847 | (133,418) | (39,972) | 37,918 |
| The Peter Taylor Fund | 7 | 21,081 | (21,081) | 44,920 | 44,927 |
| | 201,346 | 153,017 | (179,068) | (16,084) | 159,211 |

The Inner Temple Benefactors' Scholarship Fund

Notes to the financial statements for the year ended 31st December 2016 (continued)

(c) Reconciliation of movements in unrealised gains on investment assets

| | 2016 £ | 2015 £ |
|--|----------------|----------------|
| Unrealised gains at 1st January 2016 | 254,629 | 119,798 |
| Write back loss on disposal of investments | (39,996) | 29,401 |
| Unrealised gain for the year | 492,226 | 105,430 |
| | 706,859 | 254,629 |

(d) Net gain on investment

| | 2016 £ | 2015 £ |
|--|----------------|----------------|
| Unrealised gains | 492,226 | (1,759) |
| Realised gain | (26,861) | 105,430 |
| Net gain on investment at 31 st December 2016 | 465,365 | 103,671 |

6. Debtors

| | 2016 £ | 2015 £ |
|------------------------------------|---------------|---------------|
| Dividend income | 3,408 | 4,121 |
| Donations | - | 500 |
| Amounts due from the Inns of Court | 19,500 | 17,500 |
| Other debtors | 51,872 | 31,616 |
| | 74,780 | 53,737 |

7. Cash at bank and in hand

| | 2016 £ | 2015 £ |
|-----------------|----------------|----------------|
| Current account | 328,398 | 304,700 |
| Deposit account | 59,255 | 56,000 |
| | 387,653 | 360,700 |

8. Creditors: amounts falling due within one year

| | Note | 2016 £ | 2015 £ |
|----------------------------|------|----------------|----------------|
| Accrued expenditure | | 8,785 | 8,061 |
| Other creditors | | 10,240 | 7,246 |
| Amount due to Inner Temple | 15 | 284,200 | 246,099 |
| | | 303,221 | 261,406 |

9. Financial instruments

Financial assets and liabilities

| | 2016 £ | 2015 £ |
|--|-----------|-----------|
| Financial assets measured at amortised cost | 74,780 | 53,237 |
| Financial assets measured at fair value | 3,448,794 | 3,015,660 |
| Financial liabilities measured at amortised cost | 303,221 | 261,406 |

The Inner Temple Benefactors' Scholarship Fund

Notes to the financial statements for the year ended 31st December 2016 (continued)

11. Analysis of net assets

| | Inner Temple Benefactors' Scholarship Fund | Peter Taylor Fund | Woolfe Summerfield Bequest Fund | Pegasus Scholarship Trust Fund | Total 2016 |
|---|---|-------------------------|--|---|------------------|
| | £ | £ | £ | £ | £ |
| Fixed assets: | | | | | |
| Investments | 556,674 | 345,353 | 210,611 | 2,336,156 | 3,448,794 |
| Current assets: | | | | | |
| Debtors | 4,141 | 47,953 | 49 | 22,637 | 74,780 |
| Cash at bank and in hand | 228,809 | 57,037 | 24,835 | 76,972 | 387,653 |
| Creditors: amounts falling due within one year | (152,790) | (60,063) | (28,679) | (61,690) | (303,222) |
| Inter-fund transfer | (3,795) | - | 3,795 | - | - |
| | 623,039 | 390,280 | 210,611 | 2,374,075 | 3,608,005 |

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 £3,600 on account of the audit fees in 2016 (2015 - £3,540).

14. Reconciliation of cash inflow from operating activities

| | 2016 £ | 2015 £ |
|---|-----------|-----------|
| Net income for the reporting period | 439,314 | 126,800 |
| Gains on investments | (465,365) | (103,671) |
| Dividends | (45,835) | (60,091) |
| Other income | (27) | (22) |
| Operating deficit | (71,913) | (36,984) |
| Increase in debtors | (21,043) | (13,600) |
| Increase in creditors | 41,815 | 44,210 |
| Net cash outflow provided by operating activities | (51,141) | (8,618) |

The Inner Temple Benefactors' Scholarship Fund

Notes to the financial statements for the year ended 31st December 2016 (continued)

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

| | <u>At 1st Jan</u> <u>2016</u> | <u>Cash flow</u> | <u>At 31st Dec</u> <u>2016</u> |
|------------------------|---|------------------|--|
| Short-term deposits | 56,000 | 3,254 | 59,254 |
| Cash at bank | 304,700 | 23,699 | 328,399 |
| Cash and bank balances | <u>360,700</u> | <u>26,953</u> | <u>387,653</u> |

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

| | |
|--|----------------|
| Increase in cash and short term deposits | <u>26,953</u> |
| Net cash at 1 st January 2016 | <u>360,700</u> |
| Net cash at 31 st December 2016 | <u>387,653</u> |

16. Related party transactions

The Honourable Society of the Inner Temple paid £19,500 towards the Pegasus Trust scholarships awarded in 2016 (2015 - £17,500). The Inner Temple also paid the Benefactors Scholarship Fund audit fees of £3,660 (2015 - £3,600).

The Pegasus Scholarship Trust paid £41,288 with regards to staff cost administered by the Inner Temple in 2016 (2015 - £39,461).

In 2016 The Inner Temple Benefactors' Scholarship Fund contributed the following amounts to the cost of the Inn's scholarship awards:

| | 2016 | 2015 |
|---------------------------------|---------|---------|
| Benefactors Scholarship Fund | £21,600 | £25,100 |
| Woolfe Summerfield Bequest Fund | £468 | £1,751 |
| Peter Taylor Fund | £20,000 | £20,000 |

The amount of £284,200 in 2016 (note 8) represents the accumulated contributions due to the Inner Temple (2015 - £246,099). This balance is unsecured, interest free and payable on demand.