



# **THE INNER TEMPLE BENEFACTORS' SCHOLARSHIP FUND**

Financial Statements

31<sup>st</sup> December 2018

Registered Charity No 1056609

## **The Inner Temple Benefactors' Scholarship Fund**

### **Index to the financial statements for the year ended 31st December 2018**

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	Pages
Report of the Trustees	1 – 5
Report of the independent auditors	6
Statement of financial activities	9
Balance sheet	10
Cash flow statement	11
Notes to the financial statements	12 - 20

## **The Inner Temple Benefactors' Scholarship Fund**

### **Report of the Trustees for the year ended 31st December 2018**

#### **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 26 scholarships and prizes to individuals during the year totalling £23,700 (2017 - £22,100).
- The Pegasus Scholarship Trust Fund awarded 28 scholarships and prizes in the year totalling £89,505 (2017 - £61,361).
- The Peter Taylor Scholarship Fund awarded one scholarship of £20,000 (2017 - £20,000).

#### **Financial review**

All revenues are used for charitable activities.

Investment income and gains in the market value of investments were at low level during 2018. The overall return was 0.7%.

## **The Inner Temple Benefactors' Scholarship Fund**

### **Report of the Trustees for the year ended 31st December 2018 (continued)**

In 2018 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 and £160 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.

#### **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 £3,871,708 (2017 – £3,937,838) including restricted income reserves of £142,288 (2017 - £195,182).

#### **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 0.7% 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.

## **The Inner Temple Benefactors' Scholarship Fund**

### **Report of the Trustees for the year ended 31st December 2018 (continued)**

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 Scholarship Fund fundraising activities.

The Inner Temple 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 high standard of fundraising practice.

There were no fundraising complaints from donors or the general public in 2018 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.

## The Inner Temple Benefactors' Scholarship Fund

### Report of the Trustees for the year ended 31st December 2018 (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 14 <sup>th</sup> 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 <sup>th</sup> March 1988  The Peter Taylor Scholarship Fund is governed by regulations dated 23 <sup>rd</sup> 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 U.K. 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 2018 (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*

2019 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**

#### **Opinion**

We have audited the financial statements of the Inner Temple Benefactors' Scholarship Fund for the year ended 31 December 2018 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 2018 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

*Crowe U.K. LLP*

Crowe U.K. LLP

Statutory Auditor

St Bride's House  
10 Salisbury Square  
London, EC4Y 8 EH

Date: *30 October 2019*

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 2018

	Notes	Restricted Income £	Expendable Endowment £	Permanent Endowment £	Total 2018 £	Restricted Income £	Expendable Endowment £	Permanent Endowment £	Total 2017 £
<b>Incoming resources</b>									
Donations and legacies		8,660	-	-	<b>8,660</b>	57,943	-	-	57,943
Other trading activities	2(a)	78,000	-	-	<b>78,000</b>	78,000	-	-	78,000
Income from investments	2(b)	41,863	-	-	<b>41,863</b>	45,274	-	-	45,274
Other Income		-	-	-	-	8	-	-	8
<b>Total income and endowments</b>		<b>128,523</b>	<b>-</b>	<b>-</b>	<b>128,523</b>	<b>181,225</b>	<b>-</b>	<b>-</b>	<b>181,225</b>
<b>Expenditure on raising funds</b>									
Investment managers' charges		32,207	-	-	<b>32,207</b>	25,183	-	-	25,183
Bank charges and office costs		1,579	-	-	<b>1,579</b>	328	-	-	328
		<b>33,786</b>	<b>-</b>	<b>-</b>	<b>33,786</b>	<b>25,511</b>	<b>-</b>	<b>-</b>	<b>25,511</b>
<b>Expenditure on charitable activities</b>									
Scholarship payable	3	133,205	-	-	<b>133,205</b>	103,461	-	-	103,461
Contribution to purchase library books		1,398	-	-	<b>1,398</b>	116	-	-	116
		<b>134,603</b>	<b>-</b>	<b>-</b>	<b>134,603</b>	<b>103,577</b>	<b>-</b>	<b>-</b>	<b>103,577</b>
<b>Support cost</b>	4	<b>43,242</b>	<b>-</b>	<b>-</b>	<b>43,242</b>	<b>42,960</b>	<b>-</b>	<b>-</b>	<b>42,960</b>
<b>Total expenditure</b>		<b>211,631</b>	<b>-</b>	<b>-</b>	<b>211,631</b>	<b>172,048</b>	<b>-</b>	<b>-</b>	<b>172,048</b>
Net gains on investments	5d	-	(10,880)	27,858	<b>16,978</b>	-	219,242	101,414	320,656
<b>Net (expenditure)/ income</b>		<b>(83,108)</b>	<b>(10,880)</b>	<b>27,858</b>	<b>(66,130)</b>	<b>9,177</b>	<b>219,242</b>	<b>101,414</b>	<b>329,833</b>
Transfer between funds		30,214	(22,678)	(7,536)	-	26,794	(21,986)	(4,808)	-
<b>Net movement in funds</b>		<b>(52,894)</b>	<b>(33,558)</b>	<b>20,322</b>	<b>(66,130)</b>	<b>35,971</b>	<b>197,256</b>	<b>96,606</b>	<b>329,833</b>
<b>Fund balances brought forward</b>									
At 1 <sup>st</sup> January 2018		195,182	2,533,412	1,209,244	<b>3,937,838</b>	159,211	2,336,156	1,112,638	3,608,005
<b>Fund balances carried forward</b>									
<b>At 31<sup>st</sup> December 2018</b>		<b>142,288</b>	<b>2,499,854</b>	<b>1,229,566</b>	<b>3,871,708</b>	<b>195,182</b>	<b>2,533,412</b>	<b>1,209,244</b>	<b>3,937,838</b>

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 2018

	Notes	Restricted Income £	Expendable Endowment £	Permanent Endowment £	Total 2018 £	Total 2017 £
<b>Fixed assets</b>						
Investments	5	-	2,499,854	1,229,566	<b>3,729,420</b>	3,742,656
<b>Current assets</b>						
Debtors	6	45,547	-	-	<b>45,547</b>	94,072
Cash at bank and in hand	7	163,512	-	-	<b>163,512</b>	160,591
		209,059	-	-	<b>209,059</b>	254,663
<b>Creditors: amounts falling due</b>						
Within one year	8	(66,771)	-	-	<b>(66,771)</b>	(59,481)
<b>Net current assets/ (liabilities)</b>		142,288	-	-	<b>142,288</b>	195,182
<b>Total assets less current liabilities</b>	10	<b>142,288</b>	<b>2,499,854</b>	<b>1,229,566</b>	<b>3,871,708</b>	<b>3,937,838</b>
<b>Represented by:</b>						
<b>The Benefactors' Fund</b>		52,200	-	618,804	<b>671,004</b>	670,188
<b>The Peter Taylor Fund</b>		56,886	-	379,285	<b>436,171</b>	450,801
<b>The Woolfe Summerfield Fund</b>		-	-	231,477	<b>231,477</b>	229,555
<b>The Pegasus Scholarship Trust Fund:</b>						
<b>The Pegasus Fund 'A'</b>		21,740	2,249,869	-	<b>2,271,609</b>	2,326,039
<b>The Pegasus Fund 'B'</b>		11,462	249,985	-	<b>261,447</b>	261,255
	10 & 11	<b>142,288</b>	<b>2,499,854</b>	<b>1,229,566</b>	<b>3,871,708</b>	<b>3,937,838</b>

The financial statements on pages 9 to 20 were approved for the Trustees on *29 October* 2019 and signed on their behalf:

  
The Hon Mr 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 31<sup>st</sup> December 2018

	<u>Note</u>	<u>2018</u>	<u>2017</u>
<u>Net cash provided by operating activities</u>	14	<u>(69,618)</u>	<u>(298,293)</u>
<u>Cash flow from investment activities</u>			
Dividends and interest from investments		42,325	44,437
Proceeds of sale of investments		712,851	321,173
Purchase of investment		(682,637)	(294,379)
<u>Net cash provided by investing activities</u>		<u>72,539</u>	<u>71,231</u>
Cash and cash equivalents in the reporting period		<u>2,921</u>	<u>(227,062)</u>
Cash and cash equivalents at the beginning of the reporting period	15	<u>160,591</u>	<u>387,653</u>
<u>Cash and cash equivalents at the end of the reporting period</u>	15	<u>163,512</u>	<u>160,591</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 2018

### 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.

#### 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 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 2018

#### 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 Ivory 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 (2017 - £19,500) towards The Pegasus Scholarship Trust Fund.

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

#### 2(b) Investment income

	2018 £	2017 £
<b>The Inner Temple Benefactors' Scholarship Fund</b>		
UK equities	915	-
Foreign equities	1,156	2,067
Fixed interest	1,787	866
<b>The Woolfe Summerfield Bequest Fund</b>		
UK equities	481	-
Foreign equities	202	892
Fixed interest	584	637
<b>The Peter Taylor Fund</b>		
UK equities	699	-
Foreign equities	472	503
Fixed interest	1,031	322



## The Inner Temple Benefactors' Scholarship Fund

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

#### The Pegasus Scholarship Trust Fund

UK equities	7,778	12,066
Foreign equities	16,976	20,857
Fixed interest	9,752	7,064
	<u>41,833</u>	<u>45,274</u>

#### 3. Scholarships payable, awarded to individuals

	2018	2017
	£	£
The Inner Temple Benefactors' Scholarship Fund: 26 (2017: 27)	23,700	22,100
The Peter Taylor Scholarship Fund: 1 (2017: 1)	20,000	20,000
The Pegasus Scholarship Trust Fund: 28 (2017: 24)	89,505	61,361
	<u>133,205</u>	<u>103,461</u>

#### 4. Support cost

	2018	2017
	£	£
Administration cost allocated by the Inner Temple	<u>43,242</u>	<u>42,960</u>

#### 5. Investments

##### (a) Reconciliation of movement in investment assets

	2018	2017
	£	£
Market value at 1 <sup>st</sup> January 2018	3,742,656	3,448,794
Additions to investments at cost	436,764	249,220
Less: Disposals at carrying value	(454,026)	(238,049)
Net gains on revaluation	4,026	282,691
	<u>3,729,420</u>	<u>3,742,656</u>
Market value at 31st December 2018		

##### (b) Analysis of Investments:

	2018	2017
	£	£
<b>The Inner Temple Benefactors' Scholarship Fund</b>		
UK equities	400,503	412,804
Foreign equities	63,500	72,238
Fixed interest	88,627	88,292
Cash	66,174	31,979
<b>The Woolfe Summerfield Bequest Fund</b>		
UK equities	165,560	183,905
Foreign equities	5,817	11,363
Fixed interest	23,200	21,991
Cash	36,900	11,505
<b>The Peter Taylor Fund</b>		
UK equities	251,992	272,507
Foreign equities	30,393	28,020
Fixed interest	45,407	45,436
Cash	51,493	29,204

## The Inner Temple Benefactors' Scholarship Fund

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

#### The Pegasus Scholarship Trust Fund

UK equities	253,339	314,571
Foreign equities	1,209,378	1,406,097
Fixed interest	638,842	511,427
Cash	398,287	301,317
	<b>3,729,412</b>	<b>3,742,656</b>
Historical cost at 31st December	<b>3,026,860</b>	<b>2,798,266</b>

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

	2018 £	2017 £
Unrealised gains at 1st January 2018	944,391	706,859
Write back loss on disposal of investments	(245,857)	(45,159)
Unrealised gain for the year	4,018	282,691
	<b>702,552</b>	<b>944,391</b>

#### (d) Net gain on investment

	2018 £	2017 £
Unrealised gains	4,018	282,691
Realised gain	12,960	37,965
Net gain on investment at 31 <sup>st</sup> December 2018	<b>16,978</b>	<b>320,656</b>

#### 6. Debtors

	2018 £	2017 £
Dividend income	3,791	4,253
Amounts due from the Inns of Court	19,500	19,500
Other debtors	22,256	70,319
	<b>45,547</b>	<b>94,072</b>

#### 7. Cash at bank and in hand

	2018 £	2017 £
Current account	82,564	130,341
Deposit account	80,948	30,250
	<b>163,512</b>	<b>160,591</b>

#### 8. Creditors: amounts falling due within one year

	Note	2018 £	2017 £
Accrued expenditure		13,735	10,200
Other creditors		9,962	10,445
Amount due to Inner Temple	16	43,074	38,836
		<b>66,771</b>	<b>59,481</b>

## The Inner Temple Benefactors' Scholarship Fund

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

#### 9. Financial instruments

##### Financial assets and liabilities

	2018 £	2017 £
Financial assets measured at amortised cost	45,547	94,072
Financial assets measured at fair value	3,729,420	3,742,656
Financial liabilities measured at amortised cost	66,771	59,481

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

	2018 £	2017 £
Total income for financial assets held at fair value	3,791	4,253
Total gains for financial assets held at fair value	766,061	966,141
Total losses for financial assets held at fair value	63,509	21,750

#### 10. Funds

##### (a) Permanent Endowment Funds

	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
	<b>1,209,244</b>	<b>-</b>	<b>27,858</b>	<b>(7,536)</b>	<b>1,229,566</b>

	Balance at 1 Jan 2017 £	Capital Additions £	Gains £	Transfers £	Balance at 31 Dec 2017 £
The Inner Temple Benefactors' Scholarship	556,674	-	51,209	(2,570)	605,313
The Peter Taylor Fund	345,353	-	31,261	(1,447)	375,167
The Woolfe Summerfield Bequest Fund	210,611	-	18,944	(791)	228,764
	<b>1,112,638</b>	<b>-</b>	<b>101,414</b>	<b>(4,808)</b>	<b>1,209,244</b>

## The Inner Temple Benefactors' Scholarship Fund

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

#### (b) Expendable Endowment Funds

	Balance at 1 <sup>st</sup> 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

	Balance at 1 <sup>st</sup> Jan 2017	Capital Additions	Gains	Transfers	Balance at 31 Dec 2017
	£	£	£	£	£
The Pegasus Scholarship Trust Fund	2,336,156	-	219,242	(21,986)	2,533,412

#### (c) Income Funds

	Balance at 1 <sup>st</sup> Jan 2018	Incoming resources	Expenditure	Transfers	Balance at 31 <sup>st</sup> Dec 2018
	£	£	£	£	£
The Inner Temple Benefactors' Scholars 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
	<b>195,182</b>	<b>128,523</b>	<b>(211,631)</b>	<b>30,214</b>	<b>142,288</b>

	Balance at 1 <sup>st</sup> Jan 2017	Incoming resources	Expenditure	Transfers	Balance at 31 <sup>st</sup> Dec 2017
	£	£	£	£	£
The Inner Temple Benefactors' Scholars Fund	76,366	10,433	(24,494)	2,570	64,875
The Woolfe Summerfield Bequest Fund	-	825	(825)	791	791
The Pegasus Scholarship Trust Fund	37,918	119,367	(125,390)	21,986	53,882
The Peter Taylor Fund	44,927	50,600	(21,340)	1,447	75,634
	<b>159,211</b>	<b>181,225</b>	<b>(172,048)</b>	<b>26,794</b>	<b>195,182</b>

## The Inner Temple Benefactors' Scholarship Fund

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

#### 11. Analysis of net assets

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

	Inner Temple Benefactors' Scholarship Fund	Peter Taylor Fund	Woolfe Summerfield Bequest Fund	Pegasus Scholarship Trust Fund	Total 2017
	£	£	£	£	£
<b>Fixed assets:</b>					
Investments	605,313	375,167	228,764	2,533,412	<b>3,742,656</b>
<b>Current assets:</b>					
Debtors	1,187	69,401	50	23,434	<b>94,072</b>
Cash at bank and in hand	82,617	27,027	1,323	49,624	<b>160,591</b>
Creditors: amounts falling due within one year	(18,929)	(20,794)	(582)	(19,176)	<b>(59,481)</b>
Inter-fund transfer					
	<b>670,188</b>	<b>450,801</b>	<b>229,555</b>	<b>2,587,294</b>	<b>3,937,838</b>

## The Inner Temple Benefactors' Scholarship Fund

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

#### 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 £3,900 on account of the audit fees in 2018 (2017 - £3,600).

#### 14. Reconciliation of cash inflow from operating activities

	2018 £	2017 £
Net income for the reporting period	(66,130)	329,833
Gains on investments	(16,978)	(320,656)
Dividends	(41,863)	(45,274)
Other income	-	(8)
Operating deficit	(124,971)	(36,105)
Decrease/ (increase) in debtors	48,063	(18,447)
Increase/ (decrease) in creditors	7,290	(243,741)
Net cash outflow provided by operating activities	(69,618)	(298,293)

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

	At 1 <sup>st</sup> Jan 2018 £	Cash flow £	At 31 <sup>st</sup> Dec 2018 £
Short-term deposits	30,250	50,697	80,947
Cash at bank	130,341	(47,776)	82,565
Cash and bank balances	160,591	2,921	163,512

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

Increase in cash and short term deposits	£2,921
Net cash at 1 <sup>st</sup> January 2018	£160,591
Net cash at 31 <sup>st</sup> December 2018	£163,512

## The Inner Temple Benefactors' Scholarship Fund

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

#### 16. Related party transactions

The Honourable Society of the Inner Temple paid £19,500 towards the Pegasus Trust scholarships awarded in 2018 (2017 - £19,500). The Inner Temple also paid the Benefactors' Scholarship Fund audit fees of £3,900 (2017 - £3,660).

The Pegasus Scholarship Trust paid £42,077 with regards to staff costs administered by the Inner Temple in 2018 (2017 - £41,779).

In 2018 The Inner Temple Benefactors' Scholarship Fund contributed the following amounts to the cost of the Inn's scholarship awards:

	2018	2017
Benefactors' Scholarship Fund	£23,700	£22,100
Woolfe Summerfield Bequest Fund	£1,398	£166
Peter Taylor Fund	£20,000	£20,000

The amount of £43,074 in creditors (Note 8) represents the contributions due to the Inner Temple as at 31<sup>st</sup> December 2018 (2017 - £38,836). This balance is unsecured, interest free and payable on demand.