



**THE INNER TEMPLE BENEFACTORS'  
SCHOLARSHIP FUND**

Financial Statements

31<sup>st</sup> December 2021

Registered Charity No 1056609

# The Inner Temple Benefactors' Scholarship Fund

## Index to the financial statements for the year ended 31st December 2021

	Pages
Report of the Trustees	2 – 6
Report of the independent auditors	7
Statement of financial activities	10
Balance sheet	11
Cash flow statement	12
Notes to the financial statements	13 - 21

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

## **Report of the Trustees for the year ended 31st December 2021**

### **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 £21,670 (2020 - £19,850).
- The Pegasus Scholarship Trust Fund awarded 8 scholarships and prizes in the year, of which 6 were deferred to 2022. One deferred 2020 award was paid in the reporting period. Total awards paid in 2021 were £13,218 (2020 - £7,626).
- The Peter Taylor Scholarship Fund awarded one scholarship of £22,000 (2020 - £22,000).

### **Financial review**

All revenues are used for charitable activities.

Investments performed extremely well in 2021, generating an overall return, net of fees, of 19.4% (2020: 12.7%).

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

### **Report of the Trustees for the year ended 31st December 2021 (continued)**

In 2020 the Benefactors' Fund received the following generous donations: £1,500 from Mr J. Jarman, £500 from Mr K. Reid and £1,500 from Mr E. Winters.

#### **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 £5,635,886 (2020 – £4,758,739) including restricted income reserves of £88,976 (2020 - £66,255).

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

#### **Transfer between funds**

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

#### **Investments policy and performance**

The Trustees aim to maximise real return on a rolling five-year view with emphasis on capital growth with income. Investment performance during the year equated to 19.4% net of fees. Investment income on the Charity's funds is paid out by the manager (Veritas) to generate funds for the payment of scholarships.

#### **Structure governance and management**

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

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

### **Report of the Trustees for the year ended 31st December 2021 (continued)**

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

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

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

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

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

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

There were no fundraising complaints from donors or the general public in 2021 or any prior years. Any complaint would be taken seriously and investigated thoroughly.

### **Investment Committee**

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

### **Scholarships Committee**

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

### **Coronavirus**

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

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

The Trustees do not consider it necessary to make a reduction to the levels of funding budgeted for 2022.

## The Inner Temple Benefactors' Scholarship Fund

### Report of the Trustees for the year ended 31st December 2021 (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 Lord Justice Nugee David Pittaway KC Penelope Reed KC  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 Lord Justice Nugee David Pittaway KC Penelope Reed KC	
Principal Address:	Inner Temple London EC4Y 7HL	
Bankers:	Royal Bank of Scotland 9-13 Paternoster Row London EC4M 7EJ	
Solicitors:	Forsters LLP 31 Hill Street London W1J 5LS	Lewis Silkin LLP 5 Chancery Lane, Clifford's Inn London EC4A 1BL
Auditors:	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW	
Investment Managers:	Veritas Investment Management LLP Riverside House 2A Southwark Bridge Road London SE1 9HA	
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 2021 (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 26 October 2022 and signed on their behalf:



The Rt Hon Lord Justice Nugee  
Trustee

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

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

#### **Opinion**

We have audited the financial statements of the Inner Temple Benefactors' Scholarship Fund ('the charity') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance sheet, the Cash Flow Statement and notes to the financial statements, including 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).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of 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 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**

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

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

### **Independent Auditor's Report to the Trustees of the Inner Temple Benefactors' Scholarship Fund (continued)**

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 requires 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 and proper accounting records have not been kept by the charity; 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 of the Charities Act 2011, and report in accordance with the Acts 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. 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this

## The Inner Temple Benefactors' Scholarship Fund

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

context were the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. We noted no additional laws and regulations in this context for the UK operations.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Board about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

#### Use of our report

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.

Crowe U.K. LLP

**Crowe U.K. LLP**  
Statutory Auditor

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

Date: 28 October 2022

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 2021

	Notes	Restricted Income £	Expendable Endowment £	Permanent Endowment £	Total 2021 £	Restricted Income	Expendable Endowment	Permanent Endowment	Total 2020 £
<b>Incoming resources</b>									
			-				-		
Donations and legacies		3,500		-	<b>3,500</b>	3,750		-	3,750
Other trading activities	2(a)	78,000		-	<b>78,000</b>	19,500		-	19,500
Income from investments	2(b)	48,120		-	<b>48,120</b>	43,228		-	43,228
<b>Total income and endowments</b>		<b>129,620</b>	<b>-</b>	<b>-</b>	<b>129,620</b>	<b>66,478</b>	<b>-</b>	<b>-</b>	<b>66,478</b>
<b>Expenditure on raising funds</b>									
Investment managers' charges		32,476		-	<b>32,476</b>	31,508		-	31,508
Bank charges and office costs		3		-	<b>3</b>	3		-	3
		32,479		-	<b>32,479</b>	31,511		-	31,511
<b>Expenditure on charitable activities</b>									
Scholarships payable	3	56,888		-	<b>56,888</b>	49,476		-	49,476
Contribution to purchase of library books		3,374		-	<b>3,374</b>	2,792		-	2,792
		60,262		-	<b>60,262</b>	52,268		-	52,268
<b>Support cost</b>	4	<b>48,005</b>	<b>-</b>	<b>-</b>	<b>48,005</b>	<b>46,946</b>	<b>-</b>	<b>-</b>	<b>44,506</b>
<b>Total expenditure</b>		<b>140,746</b>	<b>-</b>	<b>-</b>	<b>140,746</b>	<b>130,725</b>	<b>-</b>	<b>-</b>	<b>130,725</b>
Net gains on investments	5d	-	652,345	235,928	<b>888,273</b>	-	393,719	124,205	517,924
<b>Net (expenditure)/ income</b>		<b>(11,126)</b>	<b>652,345</b>	<b>235,928</b>	<b>877,147</b>	<b>(64,247)</b>	<b>393,719</b>	<b>124,205</b>	<b>453,677</b>
Transfer between funds		33,847	(30,282)	(3,565)	-	32,942	(21,026)	(10,626)	-
<b>Net movement in funds</b>		<b>22,721</b>	<b>622,063</b>	<b>232,363</b>	<b>877,147</b>	<b>(32,595)</b>	<b>372,693</b>	<b>113,579</b>	<b>453,677</b>
Fund balances brought forward At 1 <sup>st</sup> January 2021		66,255	3,184,705	1,507,779	4,758,739	98,850	2,812,012	1,394,200	4,305,062
<b>Fund balances carried forward</b>									
<b>At 31<sup>st</sup> December 2021</b>		<b>88,976</b>	<b>3,806,768</b>	<b>1,740,142</b>	<b>5,635,886</b>	<b>66,255</b>	<b>3,184,705</b>	<b>1,507,779</b>	<b>4,758,739</b>

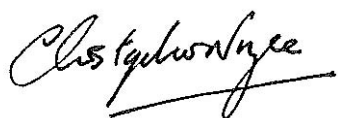
All the above amounts relate to continuing activities.  
The notes on pages 13 to 21 form part of these financial statements.

# The Inner Temple Benefactors' Scholarship Fund

## Balance Sheet as at 31st December 2021

	Notes	Restricted Income £	Expendable Endowment £	Permanent Endowment £	Total 2021 £	Total 2020 £
<b>Fixed assets</b>						
Investments	5	-	3,806,768	1,740,142	<b>5,546,910</b>	4,692,484
<b>Current assets</b>						
Debtors	6	23,111	-	-	<b>23,111</b>	4,587
Cash at bank and in hand	7	147,467	-	-	<b>147,467</b>	214,039
		<u>170,578</u>	<u>-</u>	<u>-</u>	<b><u>170,578</u></b>	<u>218,626</u>
<b>Creditors: amounts falling due</b>						
Within one year	8	<u>(81,602)</u>	<u>-</u>	<u>-</u>	<b><u>(81,602)</u></b>	<u>(152,371)</u>
<b>Net current assets/ (liabilities)</b>						
			<u>-</u>	<u>-</u>		<u>66,255</u>
<b>Total assets less current liabilities</b>	10	<u>88,976</u>	<u>3,806,768</u>	<u>1,740,142</u>	<b><u>5,635,886</u></b>	<u>4,758,739</u>
Represented by:						
<b>The Benefactors' Fund</b>		21,547	-	873,377	<b>894,924</b>	789,029
<b>The Peter Taylor Fund</b>		5,912	-	542,769	<b>548,681</b>	490,981
<b>The Woolfe Summerfield Fund</b>		-	-	323,996	<b>323,996</b>	280,378
<b>The Pegasus Scholarship Trust Fund:</b>						
<b>The Pegasus Fund 'A'</b>		44,960	3,426,091	-	<b>3,471,051</b>	2,866,432
<b>The Pegasus Fund 'B'</b>		<u>16,557</u>	<u>380,677</u>	<u>-</u>	<b><u>397,234</u></b>	<u>331,919</u>
	10 & 11	<u>88,976</u>	<u>3,806,768</u>	<u>1,740,142</u>	<b><u>5,635,886</u></b>	<u>4,758,739</u>

The financial statements on pages 10 to 21 were approved and authorised for issue by the Trustees on 26 October 2022 and signed on their behalf:



The Rt Hon Lord Justice Nugee  
Trustee

The notes on pages 13 to 21 form part of these financial statements

## The Inner Temple Benefactors' Scholarship Fund

### Cash flow statement For the year ended 31<sup>st</sup> December 2021

	<u>Note</u>	<u>2021</u>	<u>2020</u>
<u>Net cash provided by operating activities</u>	14	<u>(148,015)</u>	<u>(45,033)</u>
<u>Cash flow from investment activities</u>			
Dividends and interest from investments		47,596	42,912
Proceeds of sale of investments		797,738	1,324,151
Purchase of investments		<u>(763,891)</u>	<u>(1,292,498)</u>
<u>Net cash provided by investing activities</u>		<u>81,443</u>	<u>74,565</u>
Cash and cash equivalents in the reporting period		<u>(66,572)</u>	<u>29,532</u>
Cash and cash equivalents at the beginning of the reporting period	15	<u>214,039</u>	<u>184,507</u>
<u>Cash and cash equivalents at the end of the reporting period</u>	15	<u>147,467</u>	<u>214,039</u>

The notes on pages 13 to 21 form part of these financial statements.

# The Inner Temple Benefactors' Scholarship Fund

## Notes to the financial statements for the year ended 31st December 2021

### 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) 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 2019.

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).

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

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

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

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

#### b) Critical accounting judgements and key sources of estimation uncertainty

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

#### c) Investments

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

#### d) Financial instruments

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

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

## The Inner Temple Benefactors' Scholarship Fund

### Notes to the financial statements for the year ended 31st December 2021

#### e) **Incoming resources**

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

#### f) **Resources expended**

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

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

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

Charities included in scheme:

Jardine Studentship	Cecile Yahuda Scholarship
Poland Prize	Elfreda Edwards Scholarship
Struben Bequest	Peta Fordham Scholarship
Ashworth Charity	Sweet & Maxwell Prize
Horace Ivory Scholarship	The Joseph Priestley Scholarship
Wilfred Clothier Scholarship	Solk Scholarship
Frank and Burris Gahan Scholarship	Yarborough-Anderson Scholarship
Michael Hodge Scholarship Trust Fund	Profumo Scholarship
Neville Laski Scholarship Charity	Allan Levy Awards
The Inner Temple Law Scholarships	Philip Teichman Award
David Hughes Parry Prize	Paul Methven Scholarship
Basil Nield Scholarship Charity	The Rachel Lawrence Scholarship
Otto Rix Scholarship	Leonard Woodley 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**

In 2020, The Council of Management of the Pegasus Trust decided not to ask the Inns to pay the full annual contribution, given the impact of Covid-19 on the Inns' finances. Instead, only the first quarterly contribution was demanded in 2020. In 2021, the Council reinstated the former arrangement.

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 (2020 - £4,875) towards The Pegasus Scholarship Trust Fund.

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

## The Inner Temple Benefactors' Scholarship Fund

### Notes to the financial statements for the year ended 31st December 2021

<b>2(b) Investment income</b>	<b>2021</b>	<b>2020</b>
	£	£
<b>The Inner Temple Benefactors' Scholarship Fund</b>		
UK equities	7,597	1,836
Foreign equities	394	1,833
Fixed interest	1,260	1,633
<b>The Woolfe Summerfield Bequest Fund</b>		
UK equities	2,812	739
Foreign equities	191	685
Fixed interest	395	538
<b>The Peter Taylor Fund</b>		
UK equities	4,839	1,102
Foreign equities	172	1,075
Fixed interest	619	1,006
<b>The Pegasus Scholarship Trust Fund</b>		
UK equities	3,076	5,228
Foreign equities	20,724	17,560
Fixed interest	6,034	9,904
	<b>48,113</b>	<b>43,139</b>
<b>3. Scholarships payable, awarded to individuals</b>	<b>2021</b>	<b>2020</b>
	£	£
The Inner Temple Benefactors' Scholarship Fund: 25 (2020: 26)	<b>21,670</b>	19,850
The Peter Taylor Scholarship Fund: 1 (2020: 1)	<b>22,000</b>	22,000
The Pegasus Scholarship Trust Fund: 3 (2020: 4)	<b>13,218</b>	7,626
	<b>56,888</b>	<b>49,476</b>
<b>4. Support cost</b>	<b>2021</b>	<b>2020</b>
	£	£
Administration costs allocated by the Inner Temple	<b>47,155</b>	46,230
Other costs	<b>850</b>	716
	<b>48,005</b>	<b>46,946</b>
<b>5. Investments</b>		
<b>(a) Reconciliation of movement in investment assets</b>	<b>2021</b>	<b>2020</b>
	£	£
Market value at 1 <sup>st</sup> January 2021	4,692,484	4,206,212
Additions to investments at cost	438,469	848,928
Less: Disposals at carrying value	(383,525)	(883,112)
Net gains on revaluation	799,482	520,456
Market value at 31st December 2021	<b>5,546,910</b>	<b>4,692,484</b>

## The Inner Temple Benefactors' Scholarship Fund

### Notes to the financial statements for the year ended 31st December 2021 (continued)

(b) <b>Analysis of Investments:</b>	<b>2021</b>	2020
	£	£
<b>The Inner Temple Benefactors' Scholarship Fund</b>		
UK equities	765,597	650,074
Foreign equities	-	-
Fixed interest	90,548	89,476
Cash	17,232	18,960
<b>The Woolfe Summerfield Bequest Fund</b>		
UK equities	290,786	247,095
Foreign equities	-	-
Fixed interest	23,931	23,367
Cash	9,279	9,916
<b>The Peter Taylor Fund</b>		
UK equities	488,630	414,191
Foreign equities	-	-
Fixed interest	36,060	35,421
Cash	18,079	19,279
<b>The Pegasus Scholarship Trust Fund</b>		
UK equities	273,096	283,733
Foreign equities	2,227,636	1,949,468
Fixed interest	917,535	707,694
Cash	388,501	243,810
	<u>5,546,910</u>	<u>4,692,484</u>
Historical cost at 31st December	<u>3,897,858</u>	<u>3,517,493</u>
(c) <b>Reconciliation of movements in unrealised gains on investment assets</b>	<b>2021</b>	2020
	£	£
Unrealised gains at 1st January 2021	1,174,991	1,098,105
Write back loss on disposal of investments	(325,421)	(443,570)
Unrealised gain for the year	799,482	520,456
	<u>1,649,052</u>	<u>1,174,991</u>
(d) <b>Net gain on investment</b>	<b>2021</b>	2020
	£	£
Unrealised gains	799,482	520,456
Realised (loss)/ gain	88,791	(2,532)
Net gain on investment at 31 <sup>st</sup> December 2021	<u>888,273</u>	<u>517,924</u>

## The Inner Temple Benefactors' Scholarship Fund

### Notes to the financial statements for the year ended 31st December 2021 (continued)

#### 6. Debtors

	2021	2020
	£	£
Dividend income	3,611	3,087
Amounts due from the Inns of Court	19,500	-
Other debtors	-	1,500
	<u>23,111</u>	<u>4,587</u>

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

	2021	2020
	£	£
Current account	93,810	104,223
Deposit account	53,657	109,816
	<u>147,467</u>	<u>214,039</u>

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

	Note	2021	2020
		£	£
Accrued expenditure		10,268	8,926
Other creditors		23,578	11,558
Amount due to Inner Temple	16	47,756	131,887
		<u>81,602</u>	<u>152,371</u>

#### 9. Financial instruments

##### Financial assets and liabilities

	2021	2020
	£	£
Financial assets measured at amortised cost	23,111	4,587
Financial assets measured at fair value	5,546,910	4,692,484
Financial liabilities measured at amortised cost	81,602	152,371

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

	2021	2020
	£	£
Total income for financial assets held at fair value	3,611	3,087
Total gains for financial assets held at fair value	1,654,496	1,184,785
Total losses for financial assets held at fair value	5,445	9,794

## The Inner Temple Benefactors' Scholarship Fund

### Notes to the financial statements for the year ended 31st December 2021 (continued)

#### 10. Funds

##### (a) Permanent Endowment Funds

	Balance at 1 Jan 2021	Capital Additions	Gains	Transfers	Balance at 31 Dec 2021
	£	£	£	£	£
The Inner Temple Benefactors' Scholarship	758,510	-	116,596	(1,729)	873,377
The Peter Taylor Fund	468,891	-	75,078	(1,200)	542,769
The Woolfe Summerfield Bequest Fund	280,378	-	44,254	(636)	323,996
	<b>1,507,779</b>	<b>-</b>	<b>235,928</b>	<b>(3,565)</b>	<b>1,740,142</b>

	Balance at 1 Jan 2020	Capital Additions	Gains	Transfers	Balance at 31 Dec 2020
	£	£	£	£	£
The Inner Temple Benefactors' Scholarship	700,975	-	62,787	(5,252)	758,510
The Peter Taylor Fund	432,062	-	40,150	(3,321)	468,891
The Woolfe Summerfield Bequest Fund	261,163	-	21,268	(2,053)	280,378
	<b>1,394,200</b>	<b>-</b>	<b>124,205</b>	<b>(10,626)</b>	<b>1,507,779</b>

##### (b) Expendable Endowment Funds

	Balance at 1st Jan 2021	Capital Additions	Gains	Transfers	Balance at 31 Dec 2021
	£	£	£	£	£
The Pegasus Scholarship Trust Fund	3,184,705	-	652,345	(30,282)	3,806,768

	Balance at 1st Jan 2020	Capital Additions	Losses	Transfers	Balance at 31 Dec 2020
	£	£	£	£	£
The Pegasus Scholarship Trust Fund	2,812,012	-	393,719	(21,026)	3,184,705

## The Inner Temple Benefactors' Scholarship Fund

### Notes to the financial statements for the year ended 31st December 2021 (continued)

#### (c) Income Funds

	Balance at 1 <sup>st</sup> Jan 2021	Incoming resources	Expenditure	Transfers	Balance at 31 <sup>st</sup> Dec 2021
	£	£	£	£	£
The Inner Temple Benefactors' Scholarship Fund	30,519	12,751	(23,452)	1,729	21,547
The Peter Taylor Fund	22,090	5,637	(23,015)	1,200	5,912
The Woolfe Summerfield Bequest Fund	-	3,398	(4,034)	636	-
The Pegasus Scholarship Trust Fund	13,646	107,834	(90,245)	30,282	61,517
	<b>66,255</b>	<b>129,620</b>	<b>(140,746)</b>	<b>33,847</b>	<b>88,976</b>

	Balance at 1 <sup>st</sup> Jan 2020	Incoming resources	Expenditure	Transfers	Balance at 31 <sup>st</sup> Dec 2020
	£	£	£	£	£
The Inner Temple Benefactors' Scholarship Fund	40,996	7,575	(23,304)	5,252	30,519
The Peter Taylor Fund	39,518	3,279	(24,028)	3,321	22,090
The Woolfe Summerfield Bequest Fund	-	1,962	(4,015)	2,053	-
The Pegasus Scholarship Trust Fund	18,336	53,662	(79,378)	21,026	13,646
□	98,850	66,478	(130,725)	31,652	66,255

#### 11. Analysis of net assets

	Inner Temple Benefactors' Scholarship Fund	Peter Taylor Fund	Woolfe Summerfield Bequest Fund	Pegasus Scholarship Trust Fund	Total 2021
	£	£	£	£	£
<b>Fixed assets:</b>					
Investments	873,377	542,769	323,996	3,806,768	5,546,910
<b>Current assets:</b>					
Debtors	192	76	51	22,792	23,111
Cash at bank and in hand	43,721	28,257	3,588	71,901	147,467
Creditors: amounts falling due within one year	(22,366)	(22,421)	(3,639)	(33,176)	(81,602)
	<b>894,924</b>	<b>548,681</b>	<b>323,996</b>	<b>3,868,285</b>	<b>5,635,886</b>

## The Inner Temple Benefactors' Scholarship Fund

### Notes to the financial statements for the year ended 31st December 2021 (continued)

	Inner Temple Benefactors' Scholarship Fund	Peter Taylor Fund	Woolfe Summerfield Bequest Fund	Pegasus Scholarship Trust Fund	Total 2020
	£	£	£	£	£
Fixed assets:					
Investments	758,510	468,891	280,378	3,184,705	4,692,484
Current assets:					
Debtors	1,689	74	50	2,774	4,587
Cash at bank and in hand	87,039	84,416	7,714	34,870	214,039
Creditors: amounts falling due within one year	(58,209)	(62,400)	(7,764)	(23,998)	(152,371)
	<u>789,029</u>	<u>490,981</u>	<u>280,378</u>	<u>3,198,351</u>	<u>4,758,739</u>

#### 12. Trustees

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

#### 13. Audit fees

The Charity's audit fees are paid by the Honourable Society of the Inner Temple. Inner Temple paid £4,290 on account of the audit fees in 2021 (2020 - £4,080).

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

	2021 £	2020 £
Net income/ (expenditure) for the reporting period	877,147	453,677
Gains on investments	(888,273)	(517,924)
Dividends	(48,120)	(43,228)
Other income		
Operating deficit	<u>(59,246)</u>	<u>(107,475)</u>
(Increase)/ decrease in debtors	(18,000)	24,375
(Decrease)/ increase in creditors	(70,769)	38,067
Net cash outflow provided by operating activities	<u>(148,015)</u>	<u>45,033</u>

## The Inner Temple Benefactors' Scholarship Fund

### Notes to the financial statements for the year ended 31st December 2021 (continued)

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

	<u>At 1<sup>st</sup> Jan</u> <u>2021</u>	<u>Cash flow</u>	<u>At 31<sup>st</sup> Dec</u> <u>2021</u>
	£	£	£
Short-term deposits	109,816	(56,159)	53,657
Cash at bank	<u>104,223</u>	<u>(10,413)</u>	<u>93,810</u>
Cash and bank balances	<u><u>214,039</u></u>	<u><u>(66,572)</u></u>	<u><u>147,467</u></u>

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

	£
Decrease in cash and short-term deposits	<u>66,572</u>
Net cash at 1 <sup>st</sup> January 2021	<u>214,039</u>
Net cash at 31 <sup>st</sup> December 2021	<u><u>147,467</u></u>

#### 16. Related party transactions

The Honourable Society of the Inner Temple paid £14,116 towards the Pegasus Trust scholarships awarded in 2021 (2020 - £4,875). The Inner Temple also paid the Benefactors' Scholarship Fund's audit fees of £4,290 (2020 - £4,080).

The Pegasus Scholarship Trust paid £47,156 with regards to staff costs administered by the Inner Temple in 2021 (2020 - £46,231).

In 2021 The Inner Temple Benefactors' Scholarship Fund contributed the following amounts to the cost of the Inn's scholarship awards:

	2021	2020
	£	£
Benefactors' Scholarship Fund	21,670	19,850
Woolfe Summerfield Bequest Fund	2,102	2,792
Peter Taylor Fund	22,000	22,000

The amount of £46,484 in creditors (Note 8) represents the contributions due to the Inner Temple as at 31<sup>st</sup> December 2021 (2020 - £131,887). This balance is unsecured, interest free and payable on demand.