

**THE GRAY'S INN  
SCHOLARSHIPS TRUST**

**Financial Statements  
for the year to  
31 December 2020**

**Registered Charity No. 313604**

**THE GRAY'S INN SCHOLARSHIPS TRUST  
YEAR TO 31 DECEMBER 2020**

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**THE GRAY'S INN SCHOLARSHIPS TRUST  
YEAR TO 31 DECEMBER 2020**

**Trustees' Report**

**Reference and Administrative Details, Trustees and Advisers**

<b>TRUSTEES</b>	Nicholas Blethyn Elliott QC (retired April 2020) Philip Baker QC The Hon Nathalie Lieven Timothy Corner QC (appointed April 2020)
<b>PRINCIPAL OFFICE</b>	8 South Square Gray's Inn London WC1R 5ET
<b>CHARITY REGISTRATION NO.</b>	313604
<b>GOVERNING INSTRUMENT</b>	Charity Commission Scheme dated 2 <sup>nd</sup> May 1995
<b>AUDITORS</b>	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
<b>SOLICITORS</b>	Hunters 9 New Square Lincoln's Inn London WC2A 3QN
<b>PRINCIPAL BANKERS</b>	C Hoare & Co 37 Fleet Street London EC4P 4DQ
<b>INVESTMENT MANAGERS</b>	Willis Towers Watson MidCity Place 71 High Holborn London WC1V 6TP  CCLA Investment Management Senator House 85 Queen Victoria Street London EC4V 4ET
<b>SENIOR MANAGEMENT TEAM</b>	Chief Executive : Antony Harking Director of Finance : Dermot Doughty

**THE GRAY'S INN SCHOLARSHIPS TRUST  
YEAR TO 31 DECEMBER 2020**

**Trustees' Report (Continued)**

**Structure, Governance and Management**

The Gray's Inn Scholarships Trust ("the Trust") is a Charitable Trust registered with the Charity Commission. Trustees who acted throughout the year are disclosed on Page 3.

The Trustees are kept conversant with the law and the requirements of the Charity Commission, as required, by professional advisers.

The Trustees receive reports of the two key meetings of the Scholarships Committee. They approve the amount of money to be divided between the Common Professional Examination (CPE), Bar Course and pupillage awards and they approve the list of those who should receive scholarships. The selection is undertaken by other Masters of the Bench, members of Hall and staff of The Honourable Society of Gray's Inn ("the Society").

Trustees are selected by the Management Committee of The Society and their appointments are confirmed by Pension, the ultimate policy and decision making body of The Society. The day-to-day management of the Trust is delegated to the management staff of The Society and there are regular meetings of the Trustees.

**Funds**

The Hebe Plunkett Fund

The Hebe Plunkett Fund was initially registered with the Charity Commission as a separate charity but, with the approval of the Commission, it was transferred to this Trust on 31 December 2003.

The original governing document required that the income and, if considered proper by the Trustees in the light of exceptional circumstances, the capital should all be applied in advancing legal education by assisting persons with defective eyesight in the study of law in such manner as the Trustees thought fit and in particular (and without prejudice to the generality of the forgoing) by providing equipment in The Society's library.

To the extent that the income was not applied, it was to be accumulated for the 21 year period from 11 February 1989. The Trustees had discretion to spend the income so accumulated.

Following the expiry of the 21 year period of permitted accumulation on 11 February 2010, the Trustees have discretion to apply the income for such purposes of an educational nature connected with The Society to the extent that the specified original objective cannot be achieved.

The Trustees resolved at their meeting on 21 September 2010 that this fund should continue as a separate and discrete fund and the original objectives adhered to as far as possible.

The Sir Brian Smedley Fund

The income arising on the endowment is available as a scholarship open to members of The Society who are barristers of not more than one year's call, or students, and who are practising or intending to practice at the Bar of England and Wales. Preference is to be given to candidates practising or intending to practice on the Midland Circuit.

The Troy Fund (Beloff Essay Prize)

This fund is expendable and is to be applied in funding an annual essay prize in Administrative Law for those who are applying for pupillages.

The Bingham Fund

This is shown separately in an unrestricted fund while fund raising continues. It is hoped that if the fund reaches £1,500,000, 5 scholarships of £10,000 will be awarded annually in memory of the late Lord Bingham. A Bingham scholarship was awarded in 2020.

The Charnley award

This award is made, on merit, to a high potential candidate for the Graduate Diploma in Law.

**THE GRAY'S INN SCHOLARSHIPS TRUST  
YEAR TO 31 DECEMBER 2020**

**Trustees' Report (Continued)**

The Ann Goddard Fund

A total bequest of £1,503,833 is invested in a separate portfolio and the income arising therefrom is to be used to assist barristers during their pupillage with preference being given to those seeking to practice at the criminal bar.

**Risk Review**

The Trustees have assessed the major risks faced by the charity and keep them under review. All the operational activities of the Trust are undertaken by the Honourable Society of Gray's Inn and the Trustees rely on their risk control processes. Specific reference is made in these processes to the risk management requirements of the Trust. The key risks relate to the performance of the investment portfolio (see "Investment performance" in the Trustees Report for more detail) and the continuation of support from the Society via the Honourable Society of Gray's Inn Charitable Trust fund ("the Gray's Inn Charitable Trust"). Trustees monitor these risks regularly by receiving updates from investment managers on the performance of the portfolio and maintaining regular dialogue with the Society. The impact of the Coronavirus pandemic on the Trust is discussed in the "Investment Performance" and "Plans for the Future" sections of this report.

**Objectives and Activities**

The principal charitable objective of the Trust is the advancement of education in the law for students and members of the Society and this is achieved by awarding scholarships to all with ability. To that end, scholarship interviews are held separately for those taking the CPE and Bar Course exams and those seeking pupillage awards following their Call to the Bar. Details of the grant policy and the scholarships are given below.

**Grant Policy**

The grant policy is to identify able students and to assist them to complete their studies and to be called to the Bar. In order to attract the brightest students to The Society, the awards made must be competitive with the other Inns of Court. The Scholarships Committee considers applications from students on an annual basis. These awards are available to cover each year of a student's study - the Common Professional Examination (CPE), the Bar Professional Training Course (BPTC) and during pupillage. In addition, there is a special fund within the charity, The Hebe Plunkett Fund, to provide additional assistance to handicapped students with a preference for those with a visual impairment.

**Public Benefit**

The Trustees confirm that they have considered the Charity Commission's guidance on public benefit. The Trust's sole activity is the awarding of scholarships to students to enable them to pursue careers as barristers. This function is delegated to the Scholarships Committee which is guided by a policy document designed to achieve and to demonstrate that all awards are made on non-discriminatory bases.

Information about the scholarships is made publicly available through The Society's website and the Scholarships Handbook which is issued to all new students or those interested in becoming students of The Society. Awards are monitored to ensure that the charitable objectives of the Trust are being achieved.

The public benefit derived from the Trust's activities is two-fold. Firstly it offers legal educational opportunities to all of ability irrespective of background, and secondly it helps to maintain the highest standards required and expected of the legal profession by members of the public.

**THE GRAY'S INN SCHOLARSHIPS TRUST  
YEAR TO 31 DECEMBER 2020**

**Trustees' Report (Continued)**

**Achievements and Performance in the year**

Scholarship awards cover all or part of tuition and living costs. During the year the Trustees awarded scholarships to members of The Society in their CPE year, their Bar Course year or their pupillage as follows:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Scholarships and prizes awarded (see note 4)	<u>£1,271,161</u>	<u>£1,241,475</u>
Number of scholarships and prizes awarded	132	133
Average value	<u>£9,630</u>	<u>£9,334</u>

The aggregate amount of Scholarships awarded has increased slightly during the year, despite the reduced funding from the Society, reflecting the determination of the Trustees to ensure that sufficient funds are available to enable well qualified students to qualify as barristers.

**Student Accommodation**

During the year the Society increased the amount of student accommodation available from twelve to fourteen rooms. Each student, who is awarded accommodation as a scholarship, signs an eleven month Assured Shorthold Tenancy agreement at a nil rent with the Society. The Scholarships Trust pays a market related rent for the accommodation to the Society and this amount is included in the total of the value of the scholarships awarded in the year. The cost of this is borne by the Trust. The total amount paid under these arrangements in 2020 was £150k.

**Financial Review**

The Statement of Financial Activities on page 12 discloses the following –

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Income received	397,832	981,646
Gains / (Losses) on investments	1,185,987	1,324,825
Expenditure incurred	<u>(1,234,972)</u>	<u>(1,247,586)</u>
Surplus for the year	<u>£348,847</u>	<u>£1,058,884</u>

The donation from the Grays Inn Charitable Trust was £nil (2019: £675,000).

The funds available as at 31 December amounted to:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Unrestricted Funds	6,983,941	7,279,182
Restricted Funds	123,003	150,303
Endowment Funds	<u>9,627,937</u>	<u>8,959,549</u>
	<u>£16,734,881</u>	<u>£16,389,034</u>

Despite the elimination of the annual donation from the Gray's Inn Charitable Trust the Trust saw a net increase in the value of its funds largely because of a large increase in the value of its investments.

To compensate for the reduced Grant from the Charitable Trust, without liquidating high performing investments or reducing the level of Scholarships, the Trustees borrowed £600k from the Society. This loan is interest free and repayable with three months notice.

**THE GRAY'S INN SCHOLARSHIPS TRUST  
YEAR TO 31 DECEMBER 2020**

**Trustees' Report (Continued)**

**Investment Performance**

Details of investments are given in Note 6. The Goddard legacy (amounting to £1.7m at the end of 2020) is invested in a separate account within the Charites Investment Fund ("COIF") managed by CCLA.

There is a further investment in COIF amounting to £3.6m at the end of 2020. This is an investment of part the endowment reserves of the Trust.

Funds with WillisTowersWatson ("WTW") amounted to £11.9m at the end of 2020 and are invested with the aim achieving real returns of at least 5% pa averaged over five year rolling periods with half the volatility of equity markets.

The medium term intention is to invest all the endowment reserves of the Trust in COIF with the unrestricted and restricted reserves being invested in WTW. This policy, which is driven by the fact that COIF gives a regular income whilst WTW generates capital growth only, is gradually being implemented over a number of years. The income generated by COIF assets in 2020 represented a 3.5% return on the opening balances held.

The Coronavirus pandemic generated significant market volatility in the first half of 2020. However matters stabilised in the second half. By the end of the year the Trusts financial investments had shown a capital gain of £1.1m (7.3%).

**Reserves Policy**

It is the long term aim to preserve the real value of the awards made together with a reducing dependence on the fluctuating sums that the Society is able to provide. Thus, the reserves policy is to retain sufficient funding to establish a strong investment portfolio to ensure continuity and certainty in providing future awards. As at 31 December 2020 total reserves were £16.7m, of which £9.6m was endowed for specific purposes and held in investments to generate an income out of which grants will be made in future periods. A further £0.1m was restricted for specific purposes and the remaining £7.0m was unrestricted, but held in investments. Trustees are content that the current level of reserves are sufficient to meet existing strategic plans of the Charity.

**Investment Powers and Policy**

The Trustees have broad powers of investment. The policy is to preserve and grow the real value of the portfolio over the longer term.

**Plans for Future Periods**

The continuing aim remains to give scholarships to able students, irrespective of background, to enable them to achieve careers as barristers

The Trust has received substantial grants from the Charitable Trust over many years and this has contributed to the creation of financial reserves in addition to the payment of scholarships. As a result of the pandemic the Society has adopted a cautious policy in respect of its charitable funding and this has reduced the annual grant to the Charitable Trust and, by extension, to the Trust. The Trustees have borrowed funds from the Society in order to realise its financial goals in 2020. It is likely that this policy will be repeated in 2021 although there is the possibility that the Society may be in a position to resume higher levels of charitable donations and these will, in future, be paid direct to the Trust rather than via the Charitable Trust. The Trustees envisage scholarships continuing at current or improved levels for the foreseeable future.

The process for awarding scholarships to students starting their courses in September 2021 has not been impeded by the Coronavirus pandemic and the aggregate amount of Scholarships awarded is in line with amounts budgeted.

**THE GRAY'S INN SCHOLARSHIPS TRUST  
YEAR TO 31 DECEMBER 2020**

**Trustees' Report (Continued)**

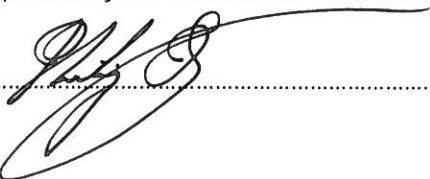
**Statement of Trustees' Responsibilities**

The Trustees are required to prepare, for each financial year, financial statements which observe the principles and methods of the Charities SORP and 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 those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that this basis applies.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with statutory requirements. 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 by the Trustees on 15<sup>th</sup> June 2021 and signed as authorised on their behalf by:

  
..... Trustee

**THE GRAY'S INN SCHOLARSHIPS TRUST  
YEAR TO 31 DECEMBER 2020**

**Independent auditor's report to the trustees of The Gray's Inn Scholarships Trust**

**Opinion**

We have audited the financial statements of The Gray's Inn Scholarships Trust for the year ended 31 December 2020 which comprise Statement of Financial Activities, Balance Sheet, 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of the charity's net movement in funds 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 have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. 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 trustees 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. The other information comprises the information included in the Trustees' Annual Report. 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.

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:

- adequate accounting records have not been kept by the charity, or
- sufficient accounting records have not been kept; or
- the charity 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.

**Independent auditor's report to the trustees of The Gray's Inn Scholarships Trust (Cont'd)**

**Responsibilities of trustees for the financial statements**

As explained more fully in the trustees' responsibilities statement set out on page X, 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**

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charity and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to compliance with the Charity SORP in the preparation of the accounts and fund accounting, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as Charities Act 2011.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that there were no such risks.

Our procedures included the following:

- Inspecting correspondence with regulators and tax authorities, and minutes of trustee meetings;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud both at planning and at completion;
- Evaluating management's controls designed to prevent and detect irregularities;
- Sample testing the allocation of expenditure to restricted funds;
- Identifying and testing journals process by management in the preparation of the financial statements; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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.

**THE GRAY'S INN SCHOLARSHIPS TRUST  
YEAR TO 31 DECEMBER 2020**

**Independent auditor's report to the trustees of The Gray's Inn Scholarships Trust (Cont'd)**

**Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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's trustees as a body for our audit work, for this report, or for the opinions we have formed.

*Haysmacintyre LLP.*

**Haysmacintyre LLP 10 Queen Street Place  
Statutory Auditors London  
EC4R 1AG**

**Date:** 22 July 2021

THE GRAY'S INN SCHOLARSHIPS TRUST  
YEAR TO 31 DECEMBER 2020

STATEMENT OF FINANCIAL ACTIVITIES

		Unrestricted Funds	Restricted Funds	Endowment Funds	2020 Total	2019 Total
	Notes	£	£	£	£	£
<b>INCOME AND ENDOWMENTS FROM:</b>						
Donations and legacies	2	275,747	-	-	275,747	904,700
Investments	3	72,089	49,996	-	122,085	76,946
<b>Total</b>		<u>347,836</u>	<u>49,996</u>	<u>-</u>	<u>397,832</u>	<u>981,646</u>
<b>EXPENDITURE ON:</b>						
<b>Charitable activities</b>						
Education of law students	4	1,150,061	80,500	-	1,230,561	1,230,475
Other	5	4,411	-	-	4,411	17,111
<b>Total</b>		<u>1,154,472</u>	<u>80,500</u>	<u>-</u>	<u>1,234,972</u>	<u>1,247,586</u>
<b>NET INCOMING RESOURCES</b>		(806,636)	(30,504)	-	(837,140)	(265,940)
Net (losses)/gains on investments	6	514,396	3,204	668,388	1,185,987	1,324,825
<b>NET INCOME/EXPENDITURE</b>		<u>(292,240)</u>	<u>(27,300)</u>	<u>668,388</u>	<u>348,847</u>	<u>1,058,884</u>
<b>RECONCILIATION OF FUNDS</b>						
Total Funds brought forward		7,276,182	150,303	8,959,549	16,386,034	15,327,150
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><b>£6,983,942</b></u>	<u><b>£123,003</b></u>	<u><b>£9,627,937</b></u>	<u><b>£16,734,881</b></u>	<u><b>£16,386,034</b></u>

There were no recognised gains or losses other than those shown in the above Statement of Financial Activities.

The notes on page 13 – 22 form part of the financial statements.

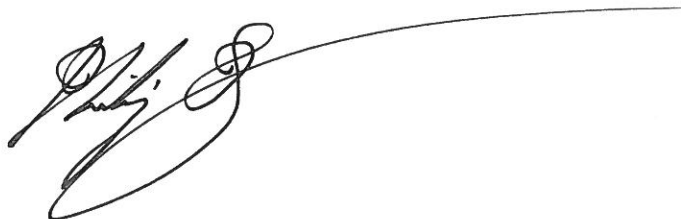
THE GRAY'S INN SCHOLARSHIPS TRUST  
YEAR TO 31 DECEMBER 2020

BALANCE SHEET AT 31 DECEMBER 2020

		2020		2019	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Investments	6		17,163,047		16,181,132
<b>CURRENT ASSETS</b>					
Cash and deposits in transit		123,770		155,202	
Debtors	7	130,050		175,700	
		253,820		330,902	
<b>CREDITORS:</b>					
Sundry creditors	8	(81,986)		(126,000)	
Borrowing from Gray's Inn	9	(600,000)		-	
		(681,986)		(126,000)	
<b>NET CURRENT (LIABILITIES) / ASSETS</b>			(428,166)		204,902
<b>NET ASSETS</b>			<u>£ 16,734,881</u>		<u>£ 16,386,034</u>
<b>FUNDS</b>					
Unrestricted	10		6,983,941		7,276,182
Restricted	10		123,003		150,303
Endowments	10		9,627,937		8,959,549
			<u>£16,734,881</u>		<u>£16,386,034</u>

Approved by the Trustees on 15<sup>th</sup> June 2021 and signed as authorised on their behalf by:

Trustee:



**THE GRAY'S INN SCHOLARSHIPS TRUST**  
**YEAR TO 31 DECEMBER 2020**

**CASH FLOW STATEMENT**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Net movement in funds	348,847	1,058,884
Deduct : investment gains	(1,185,987)	(1,324,825)
Deduct: investment income shown in investing activities	(122,085)	(76,946)
Increase in current account with Gray's inn	(50)	100
(Increase)/decrease in debtors	45,700	(25,200)
Increase/(decrease) in creditors	(44,014)	58,000
Net cash provided by operating activities	(957,589)	(309,986)
Cash flows from investing activities		
Investment income	122,085	76,946
(Additions to)/ withdrawals from investments	204,133	(69,351)
	326,218	7,595
Cash flows from financing activities		
Short term Loan from Gray's Inn	600,000	-
(Decrease)/Increase in cash and cash equivalents in the year	(31,431)	(302,391)
Cash and cash equivalents at the start of the year	155,202	457,593
<b>Total cash and cash equivalents at the end of the year</b>	<b>£123,770</b>	<b>£155,202</b>

**THE GRAY'S INN SCHOLARSHIPS TRUST  
YEAR TO 31 DECEMBER 2020**

**Notes to the Accounts**

**1. ACCOUNTING POLICIES**

**(a) General Information**

The Gray's Inn Scholarships Trust is a UK Based Charitable Trust registered with the Charity Commission. It's registered address is: Treasury Office, 8 South Square, Gray's Inn, London WC1R 5ET.

**(b) Basis of preparation and assessment of going concern**

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. 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.

The Trust constitutes a public benefit entity as defined by FRS 102.

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

In preparation of the accounts there are estimates relating to prepayments and accruals which are non-complex in nature. None of the estimates are material to the accounts.

**(c) Income**

All income is recognised once the Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

**(d) Donations, Legacies and Covenant**

Donations, legacies and covenants are accounted for when received except if the receipt relates to scholarships specifically granted to named individuals when the receipt is recognised in the period in which the scholarship is granted.

**(e) Scholarships**

Scholarships are accounted for as they are awarded.

**(f) Investments**

Investments are stated at market value. Realised and unrealised gains and losses during the year are taken to the Statement of Financial Activities.

**(g) Funds**

Unrestricted funds are donations and other incoming resources to be applied in meeting the broad objects of the charity. Restricted funds represent the unexpended income to be applied for specific purposes. Endowment funds (unless expendable in specified circumstances) are not to be spent but retained to preserve the capital value of the original bequests.

**(h) Expenditure**

The expenditure of the Trust is directly allocated to the charitable activity to which it relates or to the governance of the Trust.

**(i) Financial Instruments**

The Trust only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

**(j) Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**THE GRAY'S INN SCHOLARSHIPS TRUST**  
**YEAR TO 31 DECEMBER 2020**

**Notes to the Accounts (Continued)**

**(k) Debtors**

Short term debtors are measured at the transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**(l) Provisions**

Provisions are made where an event has taken place that gives the Trust a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation. Provisions are charged as an expense to the Statement of Financial Activities in the year that the Society becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

**2. DONATIONS AND LEGACIES**

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2020 Total £
General Donations and legacies	237,615	-	-	237,615
Bingham Appeal	38,132	-	-	38,132
Hon Soc of Gray's Inn Trust Fund	-	-	-	-
	<u>£275,747</u>	<u>-</u>	<u>-</u>	<u>£275,747</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2019 Total £
General Donations and legacies	183,253	10,000	-	193,253
Bingham Appeal	36,447	-	-	36,447
Hon Soc of Gray's Inn Trust Fund	675,000	-	-	675,000
	<u>£894,700</u>	<u>-</u>	<u>-</u>	<u>£904,700</u>

**3. INCOME FROM INVESTMENTS**

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2020 Total £
Investment portfolio	<u>£72,089</u>	<u>£49,996</u>	<u>-</u>	<u>£122,085</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2019 Total £
Investment portfolio	<u>£7,000</u>	<u>£69,946</u>	<u>-</u>	<u>£76,946</u>

**THE GRAY'S INN SCHOLARSHIPS TRUST  
YEAR TO 31 DECEMBER 2020**

**Notes to the Accounts (Continued)**

**4. CHARITABLE EXPENDITURE**

	2020 £	2019 £
<b>Scholarships awarded for the education of law students</b>		
General Fund		
Unrestricted Fund	1,180,661	1,145,851
Awards not taken and written back	(40,600)	(11,000)
	1,140,061	1,134,851
Bingham Fund	10,000	13,000
Charnley Fund	10,000	-
Smedley Fund	-	3,000
Hebe Plunkett Fund	1,500	7,000
Ann Goddard Fund	69,000	71,624
The Troy Trust (Beloff Essay Prize)	-	1,000
	<u>£1,230,561</u>	<u>£1,230,475</u>
Total scholarships awarded in year	1,271,161	1,241,475
Awards not taken and written back	(40,600)	(11,000)
Net cost of scholarships awarded in year	<u>£1,230,561</u>	<u>£1,230,475</u>

The Trust employs no members of staff and hence there are no staff costs or key management personnel costs to disclose.

Included in the above is the sum of £150,461 (2019 £145,291) representing the rental paid by the Trust to the Society for rental of accommodation offered to students who were awarded residential scholarships.

**5. OTHER COSTS**

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2020 Total £
Investment management fees	-	-	-	-
Other costs	4,411	-	-	4,411
	<u>£4,411</u>	<u>-</u>	<u>-</u>	<u>£4,411</u>
	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2019 Total £
Investment management fees	527	4	15,962	16,493
Other costs	1,433	11	1,301	2,745
	<u>£1,960</u>	<u>£15</u>	<u>£17,263</u>	<u>£19,238</u>

The Trust receives support services donated by The Society. These relate entirely to its sole charitable activity; the education of law students. It is not practicable to quantify the value of donated services with any degree of precision. On the basis that the value is likely to be material, a value of nil has been ascribed to the donated services in these accounts

THE GRAY'S INN SCHOLARSHIPS TRUST  
YEAR TO 31 DECEMBER 2020

Notes to the Accounts (Continued)

6. INVESTMENTS

	2020 £	2019 £
<b><u>EQUITIES AND CASH HELD WITH UBS (GODDARD)</u></b>		
Market value at 1 January	-	1,500,655
Cash Introduced/ (withdrawn)	-	(1,583,222)
Investment gains/ (losses)	-	82,567
Market value at 31 December	<u>-</u>	<u>-</u>
Cost at 31 December	<u>-</u>	<u>-</u>
<b><u>INVESTMENTS HELD WITH WTW</u></b>		
Market value at 1 January	12,689,569	13,286,301
Capital introduced/(withdrawn)	(1,704,133)	(1,718,000)
Investment gains/ (losses)	903,068	1,121,267
Market value at 31 December	<u>£11,888,504</u>	<u>£12,689,569</u>
Cost at 31 December	<u>£5,253,065</u>	<u>£6,074,183</u>
<b><u>INVESTMENTS HELD WITH COIF (GENERAL FUND)</u></b>		
Market value at 1 January	1,873,888	-
Capital introduced/(withdrawn)	1,500,000	1,800,000
Investment gains/ (losses)	179,459	73,888
Market value at 31 December	<u>£3,553,347</u>	<u>£1,873,888</u>
Cost at 31 December	<u>£3,300,000</u>	<u>£1,800,000</u>
<b><u>INVESTMENTS HELD WITH COIF (GODDARD)</u></b>		
Market value at 1 January	1,617,676	-
Capital introduced/(withdrawn)	-	1,570,573
Investment gains/ (losses)	103,460.85	47,103
Market value at 31 December	<u>£1,721,137</u>	<u>£1,617,676</u>
Cost at 31 December	<u>£1,570,573</u>	<u>£1,570,573</u>
<b><u>TOTAL INVESTMENTS</u></b>		
Market value at 1 January	16,181,132	14,786,957
Capital introduced/(withdrawn)	(204,133)	69,351
Investment gains/ (losses)	1,185,987	1,324,825
Market value at 31 December	<u>£17,162,987</u>	<u>£16,181,132</u>
Cost at 31 December	<u>£10,123,639</u>	<u>£9,444,757</u>

**THE GRAY'S INN SCHOLARSHIPS TRUST  
YEAR TO 31 DECEMBER 2020**

**Notes to the Accounts (Continued)**

**6. INVESTMENTS - continued**

	<b>2020</b>	<b>2020</b>	<b>2019</b>	<b>2019</b>
	<b>£</b>	<b>%</b>	<b>£</b>	<b>%</b>
<b><u>INVESTMENTS WITH COIF</u></b>				
Overseas Equities	3,622,515	69%	2,037,677	58%
UK Equities	475,758	9%	436,445	13%
Infrastructure and Operating Assets	476,813	9%	387,564	11%
Cash and near cash	213,617	4%	220,667	6%
Property	206,232	4%	176,673	5%
Contractual & Other Income	154,542	3%	141,757	4%
Private Equity	104,962	2%	77,164	2%
Fixed Interest	20,043	0%	13,617	0%
Total market value of investments	<u>£5,274,483</u>	<u>100%</u>	<u>3,491,564</u>	<u>100%</u>
<b><u>INVESTMENTS WITH WTW</u></b>				
Equities	4,969,420	42%	4,530,176	36%
Credit	1,521,736	13%	2,347,570	19%
Private Markets	2,758,147	23%	2,575,982	20%
Diversifying	2,317,081	19%	2,969,359	23%
Cash	320,991	3%	266,481	2%
Total market value of investments	<u>£11,888,564</u>	<u>100%</u>	<u>£12,689,569</u>	<u>100%</u>
Combined market value of investments	<u>£17,163,047</u>		<u>£16,181,132</u>	

**7. DEBTORS**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Current account with Grays Inn	50	-
Accrued income	130,000	175,700
	<u>£130,050</u>	<u>£175,700</u>

**8. CREDITORS**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Scholarships awarded but not yet paid	62,486	56,000
Residential Scholarship retentions	16,000	12,000
Audit fee	3,500	-
	<u>£81,986</u>	<u>£68,000</u>

**9. SHORT TERM LOAN**

The Trust has borrowed £600,000 from the Society. The loan is unsecured, interest free and is repayable on three months notice.

**THE GRAY'S INN SCHOLARSHIPS TRUST  
YEAR TO 31 DECEMBER 2020**

**Notes to the Accounts (Continued)**

**10. ANALYSIS OF UNRESTRICTED, RESTRICTED AND ENDOWMENT FUNDS**

The movement of funds during the year is as detailed below:

	1 January 2020 £	Incoming Resources £	Resources Expended £	Investment Gains / (Losses) £	31 December 2020 £
<b><u>Unrestricted Fund</u></b>					
General	6,298,637	292,604	(1,140,061)	445,287	5,896,467
The Bingham Fund	977,545	55,232	(10,000)	69,108	1,091,886
<b>Total Unrestricted</b>	<b>7,276,182</b>	<b>347,836</b>	<b>(1,150,061)</b>	<b>514,396</b>	<b>6,988,352</b>
<b><u>Restricted</u></b>					
Stephen Silber Fund	727	7	-	51	786
The Charnely Fund	10,000	99	(10,000)	707	806
Hebe Plunkett Fund	29,151	289	(1,500)	2,061	30,000
Sir Brian Smedley Fund	282	3	-	20	305
Troy Fund/Beloff Prize	5,164	51	-	365	5,580
Ann Goddard Fund	104,979	49,547	(69,000)	-	85,526
<b>Total Restricted</b>	<b>150,303</b>	<b>49,996</b>	<b>(80,500)</b>	<b>3,204</b>	<b>123,003</b>
<b><u>Endowment</u></b>					
General	6,928,950	-	-	533,374	7,462,324
Hebe Plunkett Fund	386,789	-	-	29,774	416,563
Sir Brian Smedley Fund	23,103	-	-	1,778	24,882
Ann Goddard Fund	1,620,707	-	-	103,461	1,724,168
<b>Total Endowment</b>	<b>8,959,549</b>	<b>-</b>	<b>-</b>	<b>668,388</b>	<b>9,627,937</b>
<b>Total Funds</b>	<b>16,386,034</b>	<b>397,832</b>	<b>(1,230,561)</b>	<b>1,185,987</b>	<b>16,739,292</b>
<b>Analysis of Net Assets between Funds as at 31 December 2020</b>		<b>Unrestricted Fund</b>	<b>Restricted Funds</b>	<b>Endowment Funds</b>	<b>Total Assets</b>
Investments		7,500,664	37,477	9,624,906	17,163,047
Net Current Assets		(516,723)	85,526	3,031	(428,166)
		<b>£6,983,941</b>	<b>£123,003</b>	<b>£9,627,937</b>	<b>£16,734,881</b>

The Endowment Fund of the General Fund arose from various legacies and donations and represents a permanent endowment. The Unrestricted Fund is to be applied to meet the charitable objectives of the Trust. The purposes of the various funds are outlined in more detail in the Trustee's Report.

THE GRAY'S INN SCHOLARSHIPS TRUST  
YEAR TO 31 DECEMBER 2020

Notes to the Accounts (Continued)

10. ANALYSIS OF UNRESTRICTED, RESTRICTED AND ENDOWMENT FUNDS (Continued)

The movement of funds during the prior year is as detailed below:

	1 January 2019 £	Incoming Resources £	Resources Expended £	Investment Gains / (Losses) £	31 December 2019 £
<b>Unrestricted Fund</b>					
General	6,013,585	857,070	(1,137,913)	565,894	6,298,637
The Bingham Fund	864,558	44,630	(13,000)	81,357	977,545
Total Unrestricted	<u>6,878,143</u>	<u>901,700</u>	<u>(1,150,913)</u>	<u>647,251</u>	<u>7,276,182</u>
<b>Restricted</b>					
Stephen Silber Fund	664	1	-	62	727
Charnley	-	10,000	-	-	10,000
Hebe Plunkett Fund	33,011	34	(7,000)	3,106	29,151
Sir Brian Smedley Fund	2,997	3	(3,000)	282	282
Troy Fund/Beloff Prize	5,629	6	(1,000)	530	5,164
Ann Goddard Fund	106,700	69,903	(71,624)	-	104,979
Total Restricted	<u>149,001</u>	<u>79,946</u>	<u>(82,624)</u>	<u>3,981</u>	<u>150,303</u>
<b>Endowment</b>					
General	6,415,406	-	-	513,543	6,928,950
Hebe Plunkett Fund	358,122	-	-	28,667	386,789
Sir Brian Smedley Fund	21,391	-	-	1,712	23,103
Ann Goddard Fund	1,505,087	-	(14,050)	129,670	1,620,707
Total Endowment	<u>8,300,007</u>	<u>-</u>	<u>(14,050)</u>	<u>673,593</u>	<u>8,959,549</u>
<b>Total Funds</b>	<u><b>15,327,150</b></u>	<u><b>981,646</b></u>	<u><b>(1,247,587)</b></u>	<u><b>1,324,825</b></u>	<u><b>16,386,034</b></u>
<b>Analysis of Net Assets between Funds as at 31 December 2019</b>					
	<b>Unrestricted Fund</b>	<b>Restricted Funds</b>	<b>Endowment Funds</b>	<b>Total Assets</b>	
Investments	7,179,290	45,324	8,956,518	16,181,132	
Net Current Assets	96,891	104,979	3,031	204,901	
	<u>£7,276,182</u>	<u>£150,303</u>	<u>£8,959,549</u>	<u>£16,386,034</u>	

11. FINANCIAL INSTRUMENTS

	2020 £	2019 £
<b>Financial Assets</b>		
Financial Assets measured at amortised cost	<u>£130,050</u>	<u>£175,700</u>
<b>Financial Liabilities</b>		
Financial Liabilities measured at amortised cost	<u>£81,986</u>	<u>£68,000</u>

Financial assets comprise accrued income and sundry debtors. Financial liabilities comprise accruals and sundry creditors.

**THE GRAY'S INN SCHOLARSHIPS TRUST  
YEAR TO 31 DECEMBER 2020**

**Notes to the Accounts (Continued)**

**12. TRUSTEES' REMUNERATION AND RELATED PARTY TRANSACTIONS**

During the year no trustee received any remuneration or expenses (2019: nil). There were no related party transactions in the year (2019: nil)

**13. TAXATION**

The Trust is a registered charity and its income and gains are exempt from taxation.