



The General Council of the Bar

Financial Statements for the year to 31 March 2018

The General Council of the Bar
Financial Statements for the year to
31 March 2018

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Officers and Professional Advisers

The Bar Council

Officers

Chair:		Andrew Walker QC
Vice Chair:	}from January 2018	Richard Atkins QC
Treasurer:		Lorinda Long

Chair:		Andrew Langdon QC
Vice Chair:	}to December 2017	Andrew Walker QC
Treasurer:		Lorinda Long

Chief Executive	} to August 2017	Stephen Crowne
	} from August 2017	Malcolm Cree CBE

Bar Standards Board

Chair:	} to December 2017	Sir Andrew Burns KCMG
	} from January 2018	Baroness Tessa Blackstone

Vice Chair:		Naomi Ellenbogen QC
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Director-General		Dr Vanessa Davies
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Corporate Advisors

Independent Auditor

haysmacintyre
10 Queen Street Place,
London EC4R 1AG

Bankers

Child & Co.,
The Royal Bank of Scotland Group
1 Fleet Street,
London EC4Y 1BD

**Investment Portfolio
Manager**

Schroders & Co Ltd (trading as
Cazenove Capital Management
Limited)
12 Moorgate,
London EC2R 6DA

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Statement of Council Members' Responsibilities

The purpose of this statement is to distinguish the responsibilities of the Council Members of the General Council of the Bar from those of the Auditors as stated in their report.

The Constitution of the General Council of the Bar requires that the Council Members of the General Council of the Bar, as a body, shall cause proper books of account to be kept with respect to the affairs of the General Council of the Bar. The Members are required to prepare Accounts for each financial year which give a true and fair view of the state of affairs of the General Council of the Bar and its subsidiaries and of their income and expenditure for the period. The Members of the General Council of the Bar are also responsible for safeguarding the General Council of the Bar's assets, and hence for taking reasonable steps for the prevention and detection of error, fraud and other irregularities.

In preparing the accounts, the Members of the General Council of the Bar will:

- Select suitable accounting policies and then apply them consistently, making judgements and estimates that are reasonable and prudent;
- Follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts; and
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the General Council of the Bar will continue in operation.

The Members are also responsible for the maintenance and integrity of the corporate and financial information included on the Bar Council's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Approved by the Bar Council on 18 | 9 | 2018 and signed on its behalf by:



Chair of the Bar Council



Treasurer of the Bar Council

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Independent Auditor's Report to the Members of
The General Council of the Bar

Opinion

We have audited the financial statements of General Council of the Bar for the year ended 31 March 2018 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Group and Parent Statements of Financial Position, the Consolidated Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent's affairs as at 31 March 2018 and of the group's result for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

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 group 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.

Responsibilities of Council for the financial statements

As explained more fully in the Statement of Council Members' Responsibilities, the Members of Council 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 they 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 Members of Council are responsible for assessing the group's and the parent'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 Council either intends to liquidate the group or the parent or to cease operations, or has 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.

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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. This description forms part of our auditor's report.

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 Council Members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Council Members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent'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.

Other information

The Council Members are responsible for the other information. The other information comprises the information included in the Treasurer's Report, which includes the Financial Review. 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.

Use of our report

This report is made solely to the members of the General Council of the Bar, as a body, in accordance with the Council's Constitution. Our audit work has been undertaken so that we might state to the members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the General Council of the Bar or its members, for our audit work, for this report, or for the opinion we have formed.

haysmacintyre

haysmacintyre
Chartered Accountants and Statutory Auditor
10 Queen Street Place
London EC4R 1AG

Date: *18th September 2018*

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Treasurer's Report

This will be my final report as Treasurer and so I wanted to bring together the threads of several strands of work to describe what has been accomplished during my tenure.

We have invested heavily in the infrastructure of the business over the last two years and are starting to see the benefits of this: our systems and our processes are more reliable, our data on the profession is of a higher quality and is more secure plus we are seeing lower operating costs. There has been additional investment into our office facilities to enable us to reduce our office footprint from ten floors to 6 and we expect to reduce this to 5 floors within the next 12 months.

We introduced a fairer means of raising PCF in 2015 by linking the fees to income rather than years of call. Since then we have managed the potential for fee increases in PCF to a minimum in the face of a phased withdrawal of the Inns Subvention income, replacing over £800k of income in 2015 and challenges in maintaining our income from commercial and voluntary contributions. Our ability to do this has been aided by consistent growth in both the number of barristers practising and the fees earned within the profession. We are aware that there is a risk that this growth will change in the future, perhaps even the near future, and we are using our intelligence on the sector to anticipate this.

The plan to eliminate the legacy pension scheme deficit so that it does not burden future generations has been implemented. We believe that we have done so in the most prudent and cost-effective way which minimises the financial burden on the profession, but a fee rise was essential to ensure we could meet the commitments necessary for the scheme. In these accounts you will see the first of these contributions and the start of the long-term fund building that ensures the Bar Council can continue to work on your behalf without that financial distraction.

We have a better understanding and ability to manage the risks facing the business more effectively and the Audit Committee provides regular and effective scrutiny of the corporate risk registers. You will see the second of our annual Statement of Risks in this report.

Our inward investment and management of the PCF has led to a reduction in our reserves and a leaner cash position at times in the year. We have begun to rebuild these reserves and cash level and will continue this going forward.

Finally, I would like to personally thank David Botha, Finance Director and his team for all their support and hard work, the rest of the staff of the Bar Council who do an incredible job and the Chief Executive Officers – Stephen Crowne and Malcolm Cree. I would also like to thank the Chairs with whom I have served, Alistair MacDonald QC, Chantal-Aimee Doerries QC, Andrew Langdon QC and Andrew Walker QC, I thoroughly enjoyed working with all of you. And last, but by no means least, a huge thanks to all the members of the Bar Council for their support and encouragement.

It has been an honour and a pleasure to be your Treasurer for the last four years. There have been some important and significant changes in the financial position and structure of the Bar Council during this time and I am confident that improvements will continue in the future.

Lorinda Long
Treasurer
July 2018

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Financial Commentary

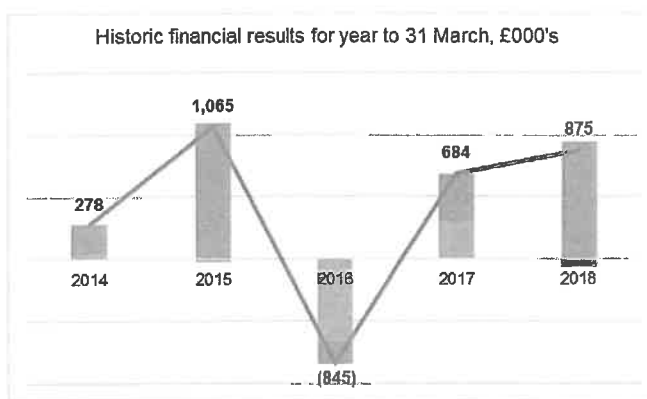
The financial statements for the General Council of the Bar (GCB) combine the activities of the association and subsidiary entities into group accounts. The commentary and notes distinguish between the components with these references:

- The Bar Council (BC): the representative body for the profession undertaking permitted purposes activities under s51 of the Legal Services Act 2007 (LSA 2007) and providing services to the profession. The Bar Council is also the Approved Regulator;
- The Bar Standards Board (BSB): the operationally independent regulator;
- Bar Services Company Ltd (BSC): trading as 'BARCO' providing escrow services to the Bar;
- Bar Council Scholarship Trust (BCST): a charitable trust included because GCB appoints the Trustees;
- The Bar Direct Access Portal Limited (BDAP): 50% owned by GCB; and
- Bar Properties Ltd is a dormant subsidiary that exists only to hold the lease on the office property. Its accounts are excluded as they are immaterial.

Each component part above has its own sources of income and expenditure but the BC and BSB share the compulsory practising certificate fee (PCF) and supporting overheads. These financial statements distinguish between BC and BSB operations to provide clarity on the application of income and the use of resources. The association and the whole group above are referred to as the General Council of the Bar or GCB.

Financial Review

Overall income rose £1.7m to £16.2m from £14.5m in 2016/17. Total costs rose £1.2m to £15.3m (2016/17: £14.1m). A total surplus of £875k was achieved, up £176k against the prior year's surplus of £684k.



Historic financial results for year to 31 March, £000's

	2014	2015	2016	2017	2018
Total Surplus/(Loss)	278	1,065	(845)	684	875
Operating Surplus/(Loss)	41	(27)	(670)	304	(64)
- Bar Council	(31)	60	(601)	228	(20)
- Bar Standards Board	72	(87)	(69)	76	(44)
Non-Operating Surplus	237	1,092	(175)	380	939

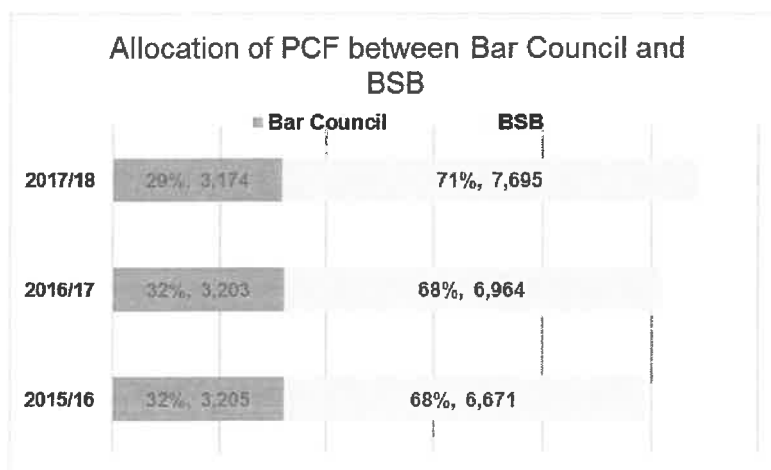
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The operating activities are those day-to-day activities of the Bar Council and BSB. Operating costs were £1.1m higher at £14.4m (2016/17: £13.4m). Staffing costs increased £460k as we carried fewer vacancies due to improving staff turnover. Non-staffing costs rose due to higher legal costs and property project spend. The increased operating costs offset the £754k increase in income from greater PCF collections and a windfall in BSB fees and charges to give an operating loss of £64k (2016/17 surplus of £304k).

Non-operating results include the actuarial adjustments for the closed defined benefit pension scheme, the annual levy contributions to the LSB and the legal ombudsman and accounting adjustments from GCB's investment valuations. A non-operating surplus of £939k was achieved (2016/17: £380k surplus) including the first annual payment of £1m towards the defined benefit pension scheme under the agreed recovery plan.

Most income derives from PCF. In 2017/18 £12.6m of PCF was applied to fund the organisation, an increase of £1.7m on the previous year (2016/17: £10.9m). £1m of the additional PCF was attributed to the pension scheme recovery plan (2016/17: nil, the contribution being met from reserves). The remaining £0.7m increase arose from growth in the numbers within the profession and increases in the proportions declaring higher PCF bands. The GCB's share of the operating costs of the Legal Services Board and the legal ombudsman in 2017/18 was £758k (2016/17: £718k).

The PCF income is shared between Bar Council and BSB to cover the cost of permitted purposes activities only and after other income is considered. In recent years the split of PCF towards BSB has increased as the receipts of Inns Subvention income were phased out.



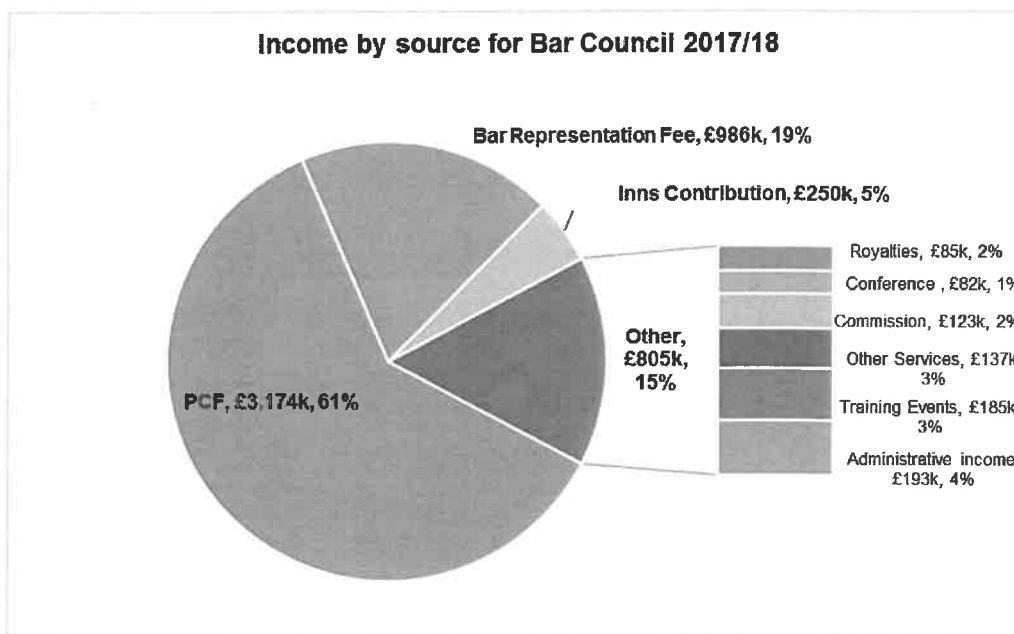
Bar Council

The financial report for Bar Council includes all representation and approved regulator activities as well as services to the profession. Bar Council aims to minimise the amount of

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PCF needed to fund representation activities by building and maintaining a variety of income sources. 61% of the Bar Council's income is drawn from PCF (2016/17: 61%).

Total income rose slightly 0.4%, £20k, to £5,271k (2016/17: £5,251k). Income from services to members fell 10%, £201k but was offset by a £250k contribution from the Inns of Court towards educational activities.



Expenditure increased 4%, £268k to £5.3m (2016/17: £5.0m) due to higher staffing costs.

Bar Standards Board

The BSB is funded by practising certificate fee income topped up by income raised through regulatory fees and charges.

Total income was up 9%, £758k to £9,164k ((2016/17: £8,406k). Most of this increase came from PCF and offset the Inn's Subvention income which ceased in March 2017. There was a £277k increase in fees and charges revenue from training providers due to unexpectedly large numbers of students undertaking training for the Bar.

Expenditure increased 11%, £878k to £9,208k (2016/17: £8,330k): staffing costs increased as vacancies held open in 2016/17 were filled in 2017/18; the uninsured legal defence costs rose as insurance policy excesses were increased and the BSB's share of overheads increased in line with staffing levels.

Resources Group

The Resources Group includes the back-office functions of: Human Resources, Finance, Information Services, Office Services, the BC's Project Management Office, the Membership Records function and the facilities and property costs of GCB. The costs are fully apportioned between BC and BSB and reported as part of the total cost of each group.

Operating costs increased 7%, £365k, to £5.3m (2016/17: £5.0m) due to project costs associated with the planned office lease changes and higher staffing costs.

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Assets, Liabilities and Reserves.

Net assets increased to £4.3m (2016/17: £3.1m) driven primarily by an improvement in the annual accounting valuation of the defined benefit pension scheme.

Fixed Assets increased by £333k to £2.3m (2016/17: £2.0k) following continuing investment into GCB's information systems. This programme will continue into 2018/19.

The Investment in Subsidiaries reduced from £334k to £21k following the elimination of the intragroup loan between Bar Council and its subsidiary, Bar Services Company Ltd. The subsidiary operation continues as a going concern. This note applies only to the parent balance sheet.

Debtors increased by £793k to £2.7m (2016/17: £1.9m) as for the first time, this balance now includes those PCF payments that were in transit at year end, £834k.

Cash levels reduced to £12.4m (2016/17: £13.0m). The operating activities generated £320k and £930k was spent in acquiring fixed assets.

Creditors rose £580k to £15.2m (2016/17: £14.6m): increased PCF collections contributed £338k; a further £300k arose from the planned build of the defined benefit pension repayment provision to £1.6m (2016/17: £1.3m).

The Pension's Liability records the accounting valuation of the surplus or deficit on the defined benefit pension scheme under relevant financial standards. At 31 March, the scheme was in surplus but is reported in the accounts at nil value consistent with the FRS102 financial standard (2016/17: £1.3m deficit).

Reserves

General reserves increased to £3.6m (2016/17 £3.0m). GCB transferred £592k of investment Revaluation reserve into General reserves to close that Revaluation reserve. In 2017/18 GCB designated £160k of the Permitted Purpose reserve to hold future legal defence costs of the BSB defending regulatory decisions (Note 8) providing greater visibility of these costs.

Pension reserves increased to nil (2016/17: £1.3m deficit) in line with the FRS102 valuation outcome.

Statement of Key Risks

GCB has a formal risk management process through which the organisation's risks are identified and monitored. The Bar Council and Bar Standards Board separately identify and manage the major risks to which they are exposed. These risks are updated regularly and collated into relevant risk control documents highlighting likelihood, impact and mitigating actions. All significant corporate risks are reviewed regularly throughout the year by the Audit Committee.

The role of the Audit Committee is to review and advise on all corporate governance and risk management matters and to review the effectiveness of all internal controls and audit practises. Its primary mechanism to achieve this is to scrutinise, query and challenge the risk registers of the Bar Council and BSB.

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The Audit Committee provides separate oversight of the BSB corporate risk register to that provided by the Governance, Risk and Audit Committee of BSB to ensure that shared or organisational risks are managed as such.

In 2017/18, the management team consider that the following risks should be noted:

Key Risk	Mitigating actions
Government policy to consult on changes to regulatory arrangements potentially threaten the Bar Council's status as the Approved Regulator and its main funding source of PCF.	The Bar Council has examined potential scenarios and actively seeks alternative funding options as part of its strategic plan. The Bar Council considers this risk to be receding only in the very short term as government and parliament address Brexit and other priorities.
PCF income is difficult to forecast with accuracy and there are threats from potential reductions in the size of the Bar and / or the fees earned.	Bar Council is following a programme of activity that encourages applications to the Bar and growth of new areas of business within the Bar. Economic and other data is reviewed annually to determine the level of the threat.
A failure of cyber and information security safeguards leading to accidental or malicious security breaches.	A comprehensive scheme of safeguarding activities and policies is in place to address the current, anticipated and evolving threats. This programme is monitored by the Chief Information Officer with regular oversight by the senior management and Audit Committee.
Reputation and financial damage arising from failing to respond adequately to challenge of the new General Data Protection Regulation (GDPR).	We have implemented a comprehensive programme of training, policy and process change, supported by specialist staff and legal advisors. This programme is monitored by the executive teams with oversight by the joint Audit Committee and BSB's GRA committee.

The Bar Council is satisfied that systems have been developed and are in place to mitigate identified risks to an acceptable level.

Treasurer
July 2018

Consolidated Income Statement by Fund Source

Notes	Divisional Results – Note 4a				Note 4b					
	Bar Standards Board		Bar Council		Subtotal Operating Results		Non-Operating Results		Total GCB	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Practising Certificate Fees	7,695	6,964	3,174	3,203	10,869	10,167	1,758	718	12,627	10,885
Inns Contributions	-	250	250	-	250	250	-	-	250	250
Bar Representation Fee Subscriptions	-	-	986	954	986	954	-	-	986	954
Fees, Charges & Services Interest on Pension Assets	1,469	1,192	861	1,094	2,330	2,286	-	-	2,330	2,286
Total Income	9,164	8,406	5,271	5,251	14,435	13,657	1,758	836	16,193	14,493
Expenditure										
Operating	9,208	8,330	5,291	5,023	14,499	13,353	-	-	14,499	13,353
Non-Operating Expenditure	-	-	-	-	-	-	789	736	789	736
Total Expenditure	9,208	8,330	5,291	5,023	14,499	13,353	789	736	15,288	14,089
Investment gains/(losses)	-	-	-	-	-	-	(30)	280	(30)	280
Surplus / (Loss) Before Taxation	(44)	76	(20)	228	(64)	304	939	380	875	684
Taxation	-	-	-	-	-	-	-	-	-	-
Surplus / (Loss) After Taxation	(44)	76	(20)	228	(64)	304	939	380	875	684
Analysis of Surplus by Source:										
Permitted Purposes	(44)	76	(16)	140	(60)	216	939	380	879	596
Other	-	-	(4)	88	(4)	88	-	-	(4)	88

The results for the year are all derived from continuing activities. The Notes on pages 18-36 form an integral part of these Statements.

Consolidated Income Statement by Fund Source (continued)

Surplus / (Deficit) for the year ending Attributable to:	2018 £000's	2017 £000's
Surplus / (Deficit) for the Year After Taxation	875	684
	-----	-----
General Council of the Bar Group	878	689
Non-Controlling Interest	(3)	(5)
	-----	-----

Consolidated Statement of Comprehensive Income

	Note	Year to 31/03/18 £000's	Year to 31/03/17 £000's
(Deficit)/Surplus for the period		875	684
Actuarial (loss)/gain on Pension Fund	15	356	(1,918)
		-----	-----
Total Comprehensive Income		1,231	(1,234)
		=====	=====

The Notes on pages 18-36 form an integral part of these Statements.

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Consolidated Statement of Changes in Equity

	General Reserves	Pension Reserve	Revaluation Reserve	Charity Reserves	Non-Controlling Interest	Group Total
	£000's	£000's	£000's	£000's	£000's	£000's
Balance: 1 Apr 2017	3,020	(1,325)	609	786	(14)	3,076
Changes in year:						
Operating surplus	939	(31)	(17)	(13)	(3)	875
Transfer of Revaluation Reserve	592	-	(592)	-	-	-
Transfer to Pension Reserves	(1,000)	1,000	-	-	-	-
Pension scheme: Actuarial Gain/(Loss)	-	356	-	-	-	356
Balance: 31 Mar 2018	3,551	-	-	773	(17)	4,307

	General Reserves	Pension Reserve	Revaluation Reserve	Charity Reserves	Non-Controlling Interest	Group Total
	£000's	£000's	£000's	£000's	£000's	£000's
Balance: 1 Apr 2016	3,204	-	402	713	(9)	4,310
Changes in year:						
Operating surplus	309	100	207	73	(5)	684
Transfer to Pension Reserves	(493)	493	-	-	-	-
Pension scheme: Actuarial Gain/(Loss)	-	(1,918)	-	-	-	(1,918)
Balance: 31 Mar 2017	3,020	(1,325)	609	786	(14)	3,076

The Notes on pages 18-36 form an integral part of these Statements.

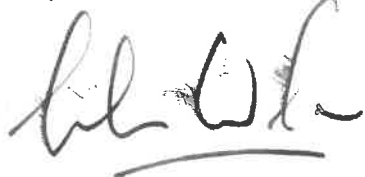
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Statements of Financial Position

		Parent		Group	
		31/03/2018	31/03/2017	31/03/2018	31/03/2017
		£000's	£000's	£000's	£000's
Tangible Fixed Assets					
Property, plant and equipment	9	2,293	1,956	2,301	1,968
Investment in Subsidiaries	10	21	334	-	-
Listed Investments	11	1,393	1,411	2,114	2,144
		-----	-----	-----	-----
		3,707	3,701	4,415	4,112
		-----	-----	-----	-----
Current Assets					
Debtors & Prepayments	12	2,784	1,964	2,705	1,912
Cash and cash equivalents Bank		12,231	12,873	12,398	13,008
		-----	-----	-----	-----
		15,015	14,837	15,103	14,920
		-----	-----	-----	-----
Creditors: due within one year					
Deferred Income	13	(11,744)	(11,406)	(11,744)	(11,406)
PCF funded pension contribution		(1,600)	(1,300)	(1,600)	(1,300)
Other Creditors		(1,839)	(1,901)	(1,867)	(1,925)
		-----	-----	-----	-----
Net Current Assets		(168)	230	(108)	289
		-----	-----	-----	-----
Total Assets less Current Liabilities		3,539	3,931	4,307	4,401
		-----	-----	-----	-----
Pensions Liability	15	-	(1,325)	-	(1,325)
Deferred taxation		-	-	-	-
		-----	-----	-----	-----
Net Assets including Pensions		3,539	2,606	4,307	3,076
		=====	=====	=====	=====
Represented by:					
General Reserve	8	3,539	3,322	3,551	3,020
Pensions Reserve		-	(1,325)	-	(1,325)
		-----	-----	-----	-----
		3,539	1,997	3,551	1,695
Revaluation Reserve		-	609	-	609
Charitable Trust		-	-	773	786
Non-Controlling Interest		-	-	(17)	(14)
		-----	-----	-----	-----
		3,539	2,606	4,307	3,076
		=====	=====	=====	=====

Approved by the Bar Council on 18/9/2018 and signed on its behalf by:

Chair



Treasurer



The General Council of the Bar
Financial Statements for the year to
31 March 2018

Consolidated Statement of Cash Flows

	Year to 31/03/18 £000's	Year to 31/03/17 £000's
Reconciliation of Operating surplus to Net Cash Flow from operating activities:		
Operating (Deficit)/Surplus	875	684
Investment (Gain)/Loss	30	(280)
Pension scheme administration costs	15c 8	18
Net Pension scheme contributions	(1,000)	(493)
Pension scheme net interest cost/(income)	15c,4b 23	(118)
Depreciation charge	597	616
(Increase)/Decrease in Debtors	(793)	(639)
Increase/(Decrease) in Creditors	580	1,806
	-----	-----
Net Cash Flow from Operating Activities	320	1,594
Investing activities:		
Purchase of Tangible Fixed Assets	(930)	(1,302)
Purchase of Listed Investments	(198)	(326)
Sale of Listed Investments	198	326
	-----	-----
Cash Flow from Investing Activities	(930)	(1,302)
Increase/(Decrease) in Cash and cash equivalents	(610)	292
Cash and cash equivalents at 1 April	13,008	12,716
	-----	-----
Cash and cash equivalents at 31 March	12,398	13,008
	=====	=====

The Notes on pages 18-36 form an integral part of these Statements.

The General Council of the Bar
Financial Statements for the year to
31 March 2018

Notes to the Financial Statements

1. Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of freehold land and buildings and of listed investments, and in accordance with FRS102 *the financial reporting standard applicable in the UK and Ireland*.

The members of Council consider the Bar Council to be a going concern and have prepared the financial statements on that basis.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Bar Council's accounting policies (see note 2).

The following principal accounting policies have been applied:

2. Accounting policies

Basis of consolidation

The group accounts comprise the accounts of the General Council of the Bar, a subsidiary company (the Bar Services Company Limited and The Bar Direct Access Portal Ltd, 50% owned by GCB), a charitable trust (the Bar Council Scholarship Trust). The charitable trust has been consolidated as the Bar Council has the power of appointment over the Trustees and is therefore deemed in control of its funds. A third subsidiary company (the Bar Council Properties Limited) has been excluded on the grounds of immateriality. All of these accounts are made up to 31 March.

Separate non-consolidated statements have not been prepared for the GCB and this omission is considered immaterial to an understanding of these accounts. The separate results of the subsidiaries and the charitable trust are shown in Note 10.

Income recognition

Income is recognised when the three criteria of entitlement, probability of receipt and reliability of measurement have been satisfied.

Operating activities

All income from the Bar is accounted for in the period to which it relates. Practising Certificate Fees and the Bar Representation Fee are usually collected in the financial years prior to the year in which they are applied.

Income from courses and events is recognised in the period in which the course or event takes place.

Other Income is recognised when goods or services have been supplied.

Levies

In addition to funding core activities, Bar Council pays levies towards the retrospective running costs of the Legal Services Board and the Office of Legal Complaints. These levies are met from PCF raised at the end of the year. These levies are for permitted purposes and are reported as a non-operating cost. Amounts recognised are those amounts charged in the year.

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Property, plant and equipment

Property, plant and equipment is measured at historical cost.

Depreciation is provided on all classes of property, plant and equipment and is calculated on a straight-line basis over their estimated useful economic lives. The rates of depreciation per annum are as follows:

Leasehold improvements: Over the remaining period of the lease
Office furniture: 33.3%
IT equipment: 33.3%
Database and Computer Software: 20.0%

Computer software is written off in the year in which the expenditure is incurred, unless it can be demonstrated that the software has a useful economic life longer than one year.

Depreciation is usually charged from the date that an asset is first brought into use. In respect of databases, depreciation commences once the asset is fully functional: see Note 9.

Listed investments

Listed investments are stated at market value. Unrealised gains and losses are recognised in the Revaluation Reserve until the investment is disposed of, at which time the cumulative gain or loss previously recognised in the Revaluation Reserve is transferred between reserves.

Investments in subsidiaries

Investments in subsidiaries are measured at cost less provision for impairment in the Bar Council's own financial statements.

Investment in joint venture

The investment in Direct Access Portal Limited is measured at cost less provision for impairment in the Bar Council's own financial statements. In the consolidated financial statements, the investment is measured at the transaction price less accumulated losses since the date of acquisition, to a minimum value of £0 in accordance with Sections 14 and 15 of FRS102.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Creditors

Short term creditors are measured at the transaction price.

Financial Instruments

The Bar Council only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable.

Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

The General Council of the Bar
Financial Statements for the year to
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Financial Instruments (continued)

Financial assets that are measured at cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment is recognised in the Income statement. Any impairment is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the union would receive for the asset if it were to be sold at the reporting date.

Judgements in applying accounting policies

Management considers that the main area of judgement in the application of accounting policies relates to the valuation of the defined benefit pension scheme. Judgement has been applied in the selection of the key financial assumptions which underpin the calculation of the defined benefit asset or liability and also in limiting the recognition of the defined benefit asset in the comparative year as set out in note 15.

Pension scheme

The Bar Council operates two pension schemes for staff: a defined contribution scheme and a defined benefit scheme, now closed to accrual.

For the defined contribution scheme, the cost recognised for the year is the employer contributions paid during the year recognised in Staff Costs.

For the defined benefit scheme, the amounts charged for pension costs are the service costs, the gains or losses on settlements and curtailments and the net interest cost on the scheme deficit. Actuarial gains and losses are recognised immediately in the Statement of Comprehensive Income.

The defined benefit scheme is funded, with the assets of the scheme held separately from those of the Bar Council, in a Trustee-administered Fund. Scheme assets are measured at fair value, while liabilities are measured on an actuarial basis, using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The resulting pension scheme asset or liability is presented separately after other net assets on the face of the Statement of Financial Position.

Taxation

Current tax

The Bar Council is subject to corporation tax on investment gains and certain income streams, comprising non-membership non-regulatory activities and income from investments. Regulatory activities are not subject to tax because they relate to the Bar Council's legal duty to act as a regulator and membership activities are not subject to corporation tax because they represent mutual trading.

Deferred tax

Deferred tax is provided on all timing differences where the ultimate crystallization of a gain is expected to give rise to a tax liability, primarily being unrealised gains on listed equity and unit trust investments. Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or the reduction of other future tax liabilities.

The General Council of the Bar
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Operating leases

Operating lease rentals payable are charged to the Income Statement in equal annual amounts over the lease term. Any rent-free period is amortised evenly over the period to which it relates and the balance is carried forward in Other Creditors.

Employee Termination Payments and Employee Benefits

Employee termination payments and employee benefits are accounted for on an accruals basis.

The General Council of the Bar
Financial Statements for the year to
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3. Income

	Year to 31/03/18 £000's	Year to 31/03/17 £000's
3a BSB Regulatory Fees and Charges		
Enforcement & Disciplinary Fines	5	27
Education & Training (including Exams and Assessments)	1,168	952
Qualifications	211	212
Entity Regulation	85	1
Other	-	-
	-----	-----
Total	1,469	1,192
	=====	=====
3b Bar Council Income		
Training and Seminars	185	229
Conferences	82	159
Commission	123	245
Pupillage Gateway	38	27
Other Services	41	101
Counsel Magazine Royalties	85	70
Investment Income	22	11
Other Income	229	207
	-----	-----
Sub-Total	805	1,049
Income from Subsidiaries	56	45
	-----	-----
Total	861	1,094
	=====	=====

Other Income includes fee income arising from financial administration, printing and meeting room services to third parties.

3c) Non-Operating Income	LSB/OLC Levy		Pension Scheme Contribution		Total	
	Year to 31/03/18 £000's	Year to 31/03/17 £000's	Year to 31/03/18 £000's	Year to 31/03/17 £000's	Year to 31/03/18 £000's	Year to 31/03/17 £000's
Balance at the 1st April	-	-	1,300	-	1,300	-
Amounts Collected in year	758	718	1,300	1,300	2,058	2,018
Recognised in Non-Operating Income	(758)	(718)	(1,000)	-	(1,758)	(718)
	-----	-----	-----	-----	-----	-----
Balance at the 31st March	-	-	1,600	1,300	1,600	1,300
	-----	-----	-----	-----	-----	-----

The General Council of the Bar
Financial Statements for the year to
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4a Expenditure – Divisional Expenditure

	Bar Standards Board		Bar Council		Resources Group		Total GCB	
	2018 £000's	2017 £000's	2018 £000's	2017 £000's	2018 £000's	2017 £000's	2018 £000's	2017 £000's
Direct Staffing	4,336	4,094	2,511	2,401	1,855	1,747	8,702	8,242
Other Direct Costs	1,064	824	1,096	1,023	3,491	3,234	5,651	5,081
Direct Costs	5,400	4,918	3,607	3,424	5,346	4,981	14,353	13,323
Overhead Allocation	3,763	3,424	1,583	1,557	(5,346)	(4,981)	-	-
Cost of Subsidiaries	-	-	62	39	-	-	62	39
Holiday Pay accrual -								
Prior year	(105)	(117)	(66)	(63)	-	-	(171)	(180)
2017/18 year	150	105	105	66	-	-	255	171
Divisional Operating Costs	9,208	8,330	5,291	5,023	-	-	14,499	13,353

Direct Staff costs include salaries, wages and employment related costs (note 7).

FRS102 Holiday pay accrual is included as a prior year adjustment with the corresponding movement in accrual shown in the current year. Each year's accrual is allocated between divisions according to average headcount.

Resources Group costs are allocated to business areas where business specific costs arise otherwise are apportioned according to average headcount.

4b Non-Operating Expenditure

	Year to 31/03/18 £000's	Year to 31/03/17 £000's
Payments:		
LSB Running Costs	289	287
OLC Running Costs	469	431
Subtotal	758	718
Pension scheme net interest cost	23	-
Other Pension Costs	8	18
	789	736
Recorded as Operating Costs	-	-
Non-Operating Costs	789	736

The General Council of the Bar
Financial Statements for the year to
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5. Operating result

The Operating Result has been arrived at after charging:	Year to	Year to
	31/03/18	31/03/17
	£000's	£000's
Auditors' remuneration:		
Audit fees	33	32
Non-audit services	-	-
Taxation compliance	5	5
Depreciation	597	616
Operating lease property rentals	612	612

6. Employment costs

	Year to	Year to
	31/03/18	31/03/17
	£000's	£000's
Salaries	6,624	6,562
National Insurance	742	725
DC Pension Contribution	483	450
DB Pension Contribution	1,000	493
Other Staff Costs, Temporary Staff & Recruitment	455	269
Termination payments	96	73
Total Costs of Employment	9,400	8,572

During the year the Bar Council contributed £1m (2016/17: £493,000) to the Defined Benefit Pension Scheme. The 2017/18 contribution is included in the Income Statement.

Office Holders & Key Management Personnel

Number of Key Management Personnel by total remuneration

	2018			2017		
	Bar Council	BSB	Total	Bar Council	BSB	Total
Total Remuneration level						
£160,000 or greater	2	1	3	2	-	2
£140,000-£159,999	-	-	-	-	1	1
£100,000-£119,999	2	1	3	2	-	2
£80,000-£99,999	6	4	10	4	5	9
Less than £80,000	-	-	-	2	1	3
	=====	=====	=====	=====	=====	=====
Total Remuneration of Key Management Personnel (£000's)	1,219	643	1,862	1,114	651	1,765

The General Council of the Bar
Financial Statements for the year to
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6. Employment costs (continued)

The Chair of the Bar was paid £208,189 (2016/17: £179,768) and the Chair of BSB was paid £89,773 pro rata (2016/17: £89,264).

The Vice-Chair of the Bar was paid £92,107 (2016/17: £89,884). The Vice-Chair of the BSB received £36,570 (2016/17: £35,525).

The Treasurer received no remuneration in the year (2016/17: £0).

The Chair of the Young Bar Committee was paid £20,000 (2016/17: £20,000). No other Bar Council member received remuneration in the year and all gave their time freely.

Total remuneration includes salaries, allowances and employer pension contributions.

The GCB considers the Officers, Executive and senior management teams of the Bar Council and BSB to comprise the Key Management Personnel as they are in charge of directing and controlling, running and operating their respective organisations on a day to day basis.

The pay of all staff, Officers and Key Management Personnel above are reviewed annually and is increased subject to performance related appraisals and regard to changes in average earnings and affordability. The joint Emoluments Committee reviews, benchmarks and approves the pay of all key management personnel benchmark and staff.

Details of related party transactions are disclosed in note 16 to the accounts.

7. Taxation

No provision for Corporation Tax has been made in these accounts. Taxable income arising within the Bar Council is offset by tax-deductible expenditure and Gift Aid payment to charities.

The Bar Council Scholarship Trust is a registered charity and all its income is exempt from tax under ss. 521-536 ITA 2007.

The General Council of the Bar
Financial Statements for the year to
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8. Allocation of General Reserves

GCB FY 2016/2017	Permitted Purpose £000's	*Legal Challenges £000's	Other General Reserves £000's	Total General Reserves £000's
Balance B/f	(90)	-	3,294	3,204
Surplus	216	-	93	309
Transfer to Pension Reserve	(493)	-	-	(493)
Balance C/f	(367)	-	3,387	3,020

GCB FY 2017/2018	Permitted Purpose £000's	*Legal Challenges £000's	Other General Reserves £000's	Total General Reserves £000's
Balance B/f	(367)	-	3,387	3,020
Surplus	943	-	(4)	939
Transfer to Pension Reserve	(1,000)	-	-	(1,000)
Transfer from Revaluation Reserve	-	-	592	592
Transfer to Legal Challenges Reserve	(160)	160	-	-
Balance C/f	(584)	160	3,975	3,551

*Legal Challenges is a designated Permitted Purpose reserve created to hold and provide visibility of the costs of BSB defending against legal challenges following the cessation of uneconomic third-party insurance cover in 2018.

9. Property, plant and equipment

GCB/Group	Leasehold Impr'ment £000's	Office Furniture £000's	IT Equipment £000's	Database & Software £000's	Total £000's
Cost					
Balance: 1 April 2017	424	405	545	2,709	4,083
Additions	-	-	160	770	930
Balance: 31 March 2018	424	405	705	3,479	5,013
Depreciation					
Balance: 1 April 2017	247	368	397	1,103	2,115
Charge for the year	88	18	108	383	597
Balance: 31 March 2018	335	386	505	1,486	2,712
Net Book Value					
At 31 March 2018	89	19	200	1,993	2,301
At 31 March 2017	177	37	148	1,606	1,968

The General Council of the Bar
Financial Statements for the year to
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9. Property, plant and equipment (continued)

The Group fixed asset values differ to the Parent by £12,000 due to Property, plant and equipment held by Subsidiary undertakings. Included within the Net Book Value are assets under construction amounting to £1.48m (2016/17: £783,000). £188k of assets purchased in the year were capitalised at the balance sheet date.

10. Subsidiaries & associated bodies

The group accounts consolidate the accounts of the General Council of the Bar and two subsidiary companies together with the charity under the Council's control.

GCB Subsidiary Investments	Statement of Financial Position		
Company	Loan £'s	Shares £'s	£000's
Bar Council Properties Ltd	-	1	-
Bar Services Company Ltd	-	1	-
The Bar Direct Access Portal Ltd	21,000	4	-

			-
			=====

GCB Subsidiaries – Movements in Investments

	Bar Services Company Ltd	The Bar Direct Access Portal Ltd
Investment b/f	316,000	18,000
Change in Investment	(315,999)	3,000
	-----	-----
Investment c/f	1	21,000
	=====	=====

GCB took a decision in 2017/18 to forgive the repayment of the intragroup loan to the subsidiary Bar Service Company Ltd (BSC) as the loan would be unlikely to be repaid and the decision would not adversely affect the operation of that business. The management agreement that establishes the charge to BSC remains in place and is unaffected.

During the year the Bar Council increased its investment in The Bar Direct Access Portal Limited along with the other shareholders.

Bar Council Properties Limited

This company is dormant and has undertaken no transactions since its incorporation. It acts as nominee for the Bar Council and holds the leases of the various floors occupied at Celcon House, 289-293 High Holborn, London. The company's Balance Sheet is not material and so is not included within these accounts.

The General Council of the Bar
Financial Statements for the year to
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10. Subsidiaries & associated bodies (continued)

Bar Services Company Limited

Bar Services Company Ltd is the vehicle by which the Bar Council provides an escrow facility to barristers, trading as BARCO. This vehicle was set up for commercial and FCA regulatory administrative convenience. However, BARCO's expenditure is fully integrated into Bar Council's own operations and the operating costs are partly subsidised by Bar Council using non-PCF funding. Only a portion of those total operating costs are allocated to the limited company to show a small margin, as set out in a management agreement between Bar Council and Bar Services Company Ltd.

The results of the company for the year ending 31 March 2018 are as follows:

	Year to 31/03/18 £000's	Year to 31/03/17 £000's
Trading Income	34	21
Administration Expenses	(22)	(15)
Forgiveness of Group Loan	316	-
	-----	-----
Operating (Loss)/Profit	328	6
	=====	=====

Balance Sheet as at 31 March

	2018 £000's	2017 £000's
Tangible Fixed Assets	-	-
Debtors	-	-
Cash at Bank	65	57
Current Liabilities	(26)	(31)
	-----	-----
Net Current Assets	39	26
Intercompany Loan	-	(316)
	-----	-----
Net Liabilities	39	(290)
	=====	=====

Bar Council Scholarship Trust

The General Council of the Bar appoints the Trustees of a charity, The Bar Council Scholarship Trust (BCST). BCST provides funding to young men and women seeking to become practising members of the Bar in England and Wales. At 31 March 2018, the net assets of the Trust stood at £773,325 (2016/17: £786,119).

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10. Subsidiaries & associated bodies (continued)

Bar Council Scholarship Trust

The results of the charity for the year ending 31 March 2018 are as follows:

	Year to 31/03/18 £000's	Year to 31/03/17 £000's
Incoming resources	22	24
Charitable activities	(23)	(24)
	----	----
Net incoming resources, Before other recognised (deficit)/surplus	(1)	-
	===	===

	2018 £000's	2017 £000's
Bar Council Scholarship Trust		
Balance Sheet as at 31 March		
Investments	721	733
Cash at Bank	94	74
Accruals	(42)	(21)
Net Current Assets	52	53
	----	----
Net Assets	773	786
	===	===

The Bar Direct Access Portal Limited
(50% acquired August 2015)

	31/03/18 £000's	31/03/17 £000's
Administration Expenses	(7)	(9)
	----	----
Operating (Loss)/Profit	(7)	(9)
	===	===

The shareholders consider this operation a going concern.

	2018 £000's	2017 £000's
Balance Sheet as at 31 March		
Tangible Fixed Assets	8	12
Debtors	-	2
Cash at Bank	8	4
Current Liabilities	(50)	(44)
	----	----
Net Current Liabilities	(34)	(27)
	===	===

The General Council of the Bar
Financial Statements for the year to
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11. Listed investments

	Parent		Group	
	2018	2017	2018	2017
	£000's	£000's	£000's	£000's
Market Value				
Balance: 1 April	1,411	1,204	2,144	1,864
Additions at cost	135	200	198	326
Disposals at open mkt. value	(111)	(252)	(163)	(400)
Unrealised Gain/(Loss)	(42)	259	(65)	(354)
	-----	-----	-----	-----
Balance: 31 March 2018	1,393	1,411	2,114	2,144
	=====	=====	=====	=====
Analysis: Investments	1,357	1,348	2,057	2,050
Cash	36	63	57	94
	=====	=====	=====	=====
Historical Cost	1,260	1,236	1,873	1,857

The investments held comprise units in a number of Cazenove Capital Management Limited investment funds, and some direct holdings of UK Government Bonds.

12. Debtors & prepayments

	Parent		Group	
	2018	2017	2018	2017
	£000's	£000's	£000's	£000's
Trade Debtors	1,421	555	1,421	555
Accrued Income	44	347	44	347
Prepayments	798	839	798	839
Other Debtors	521	223	442	171
	-----	-----	-----	-----
	2,784	1,964	2,705	1,912
	=====	=====	=====	=====

The amount of trade debtors is stated net after deducting a bad debt provision of £47,013 (2016/17: £66,060).

The General Council of the Bar
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13. Creditors: due within one year

	Parent		Group	
	2018	2017	2018	2017
	£000's	£000's	£000's	£000's
Deferred Income: PCF	11,032	10,540	11,032	10,540
BRF	712	866	712	866
	-----	-----	-----	-----
Deferred Income	11,744	11,406	11,744	11,406
	=====	=====	=====	=====
PCF funded pension contribution	1,600	1,300	1,600	1,300
	=====	=====	=====	=====
Trade Creditors	393	397	393	397
Accruals	713	834	762	835
Pension contributions	50	46	50	46
PAYE & Social Security	210	196	210	196
VAT	26	74	26	74
Sundry Creditors	447	354	426	377
	-----	-----	-----	-----
Other Creditors	1,839	1,901	1,867	1,925
	=====	=====	=====	=====

The PCF funded pension contribution represents that element of PCF collected in the 2018 fees collection process to be allocated to fund the DB pension scheme recovery plan contributions from April 2018.

14. Commitments

(a) As at 31 March 2018, the Bar Council had non-cancellable commitments for operating leases as follows:

	Land & Buildings	
	2018	2017
	£000's	£000's
Expiring: Within 1 year	741	741
Expiring: Within 2-4 years	-	741
	-----	-----

The gross property rental charge for the period was £612,000 (2016/17: £612,000).

(b) As at 31 March 2018, the Bar Council had capital expenditure commitments of £Nil (2016/17: £Nil).

The General Council of the Bar
Financial Statements for the year to
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15. Defined Benefit Pension Scheme

The GCB operated a final salary defined benefit pension plan through The General Council of the Bar Pension and Life Assurance Fund. The scheme closed to new members in July 2006 and closed to accrual for current service on 28 February 2013. The Council now only offers pension provision to members of staff through a defined contribution (stakeholder) arrangement.

A full actuarial valuation of the defined benefit scheme was carried out as at 1 October 2015, under scheme specific funding regulations. This has been updated to 31 March 2018 and to the revised FRS102 standards by a qualified independent actuary.

This update shows the scheme to be in surplus at £158k (2016/17: £1,325k deficit). The most significant contribution towards this change was the £1m contribution from the sponsor into the scheme in April 2017 under the recovery plan. In addition, the return on assets was greater than the interest cost.

(a) Assumptions:

The major financial assumptions used by the actuary were:

	2018	2017
Rates per annum:	%	%
Inflation (CPI)	2.10	2.60
Salary increases	N/A	N/A
Discount Rate	2.50	2.70
Pension in payment increases (CPI, max 5%, Min 3%)	3.10	3.30
Proportion of employees opting for early retirement	-	-
Revaluation rate for deferred pensions	5.00	5.00

The mortality assumptions adopted imply the following life expectancies:

	2018	2017
Male retiring at age 65 today	22.5	22.9
Female retiring at age 65 today	24.7	25.3
Male retiring at age 65 in 20 years	23.6	24.2
Female retiring at age 65 in 20 years	25.8	26.7

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15. Defined Benefit Pension Scheme
(continued)

Pre-retirement mortality rates

The following rates represent the probability of a person aged x exactly dying within one year.

Age x	Male	Female
- 30	0.0009	0.0006
- 40	0.0020	0.0014
- 50	0.0037	0.0022
- 60	0.0053	0.0035

(b) The amounts recognised in the Balance Sheet are as follows:

	2018 £000's	2017 £000's
Fair value of scheme assets: see (e) below	24,803	22,966
Present value of scheme liabilities: see (d) below	(24,645)	(24,291)
	-----	-----
(Deficit)/Surplus in scheme	158	(1,325)
	-----	-----
(Liability)/Asset to be recognised	-	(1,325)
	-----	-----

(c) The amounts recognised in the Income & Expenditure Statement are as follows:

	2018 £000's	2017 £000's
Income		
Interest Income	(632)	(800)
	=====	=====
Expenditure		
Interest Cost	655	682
	-----	-----
Total recognised in Consolidated Income Statement	23	(118)
	=====	=====
Actual return/(loss) on scheme assets	914	2,458

Administration expenses of £8,000 (2016/17: £18,000) were paid from scheme assets during the account period to 31 March 2018.

The General Council of the Bar
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15. Defined Benefit Pension Scheme
(continued)

(d) Amounts reported under the Statement of Other Comprehensive income are as follows:	2018	2017
	£000's	£000's
Return on Scheme Assets excluding amounts included in interest expense/income	282	1,658
Re-measurement gains/(losses) on the defined benefit obligation - experience	211	296
Re-measurement gains/(losses) on the defined benefit obligation – changes in assumptions	21	(6,743)
Surplus Withheld – no cash benefit arising from reduction in or return of contributions	(158)	2,871
	-----	-----
Re-measurement gains/(losses) recognised in other comprehensive income	356	(1,918)
	=====	=====

(e) Changes in the present value of the defined benefit obligation in the period are as follows:

	2018	2017
	£000's	£000's
Scheme Liabilities: 1 April	24,291	18,744
Interest expense	655	682
Actuarial (gain)/loss	(232)	6,447
Benefits paid & Life Assurance Premium	(69)	(1,582)
	-----	-----
Scheme Liabilities: 31 March	24,645	24,291
	=====	=====

FRS 102 states that the reconciliation of changes in the present value of the defined benefit obligation need not be presented for prior periods.

The General Council of the Bar
Financial Statements for the year to
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15. Defined Benefit Pension Scheme (continued)

(f) Changes in the fair value of scheme assets in the year are as follows:

	2018 £000's	2017 £000's
Scheme Assets: 1 April	22,966	21,615
Interest Income	632	800
Return on Scheme assets excluding amounts included under interest expense/income	282	1,658
Employer Contributions	1,000	493
Administration fee paid from Scheme assets	(8)	(18)
Benefits paid & Life Assurance Premium	(69)	(1,582)
	-----	-----
Scheme Assets: 31 March	24,803	22,966
	=====	=====

FRS 102 states that the reconciliation of changes in the present value of the scheme assets need not be presented for prior periods.

(g) The major categories of the scheme's assets as a percentage of the total scheme assets are:

	2018 %	2017 %
Equities	12.9	20.3
Bonds	75.0	73.9
Cash	11.7	5.6
With Profits Fund	0.4	0.2
	-----	-----
Total Assets	100.0	100.0
	-----	-----

16. Related party transactions

The General Council of the Bar appoints the Trustees of the Pension and Life Assurance Fund, the Bar Council Scholarship Trust and the Directors of Bar Council Properties Limited and the Bar Services Company Limited. The Bar Council has borne administration expenses for these four bodies of £98,054 (2017 - £42,093).

The General Council of the Bar
Financial Statements for the year to
31 March 2018

16. Related party transactions (continued)

The General Council of the Bar is the sole shareholder in the Bar Services Company Limited and the Bar Council Properties Limited. The Chief Executive of the Bar Council holds the one share in issue from each company on trust on behalf of the Council.

The General Council of the Bar and the Law Society are the sole members of Queen's Counsel Appointments ("QCA"). The Chief Executive of the Bar Council and the Chief Executive of the Law Society have been appointed as Directors of QCA.

The General Council of the Bar provides accounting and secretarial services to QCA at a charge of £7,000, plus VAT per annum. In addition, both of the members of QCA received a management fee in 2018 of £25,000 plus VAT (2016/17: £25,000 plus VAT).

Information on the honorarium paid to the Chairman of the Bar is shown in Note 7. Expenses paid in respect of members of the Bar Council, including the Chairman, when acting on the Bar Council's business totalled £2,451 (2016/17: £1,992).

The General Council of the Bar
Financial Statements for the year to
31 March 2018

For information only: this report does not form part of the audited Financial Statements

Independent Report to the General Council of the Bar
In respect of the Statement under s.51 Legal Services Act 2007

Scope

In accordance with our engagement letter, we report on the procedures that we have performed on the accompanying Statement under section 51 of the Legal Services Act 2007 ("LSA Statement") for the year ended 31 March 2018, the preparation of which is the responsibility of the General Council of the Bar.

We have carried out the procedures set out below, as agreed with you, and as specified in our engagement letter. These procedures performed do not constitute an audit and therefore we do not express any opinion on the allowable expenditure met by other income on the LSA Statement. This report does not extend to any financial statements of the General Council of the Bar.

Purpose of procedures

The specific procedures that you have requested that we perform are required by you to assist in enabling you to demonstrate, if required, that income from practising certificate fees has been used for the purposes set out in section 51 of the Legal Services Act 2007.

Procedures performed

We have carried out the following procedures:

- Confirmed the arithmetical accuracy of the LSA Statement;
- Verified that the PCF income and expenses, as categorised on the LSA Statement, has been accurately derived from the accounting records used in the preparation of the audited financial statements: and
- For a sample of items of expenditure, agreed the amount to supporting documentation, verified that the expenditure has been incurred and that it is properly chargeable as an expense in respect of the year in question.

Findings

No errors or exceptions were identified in our work.

**The General Council of the Bar
Financial Statements for the year to
31 March 2018**

**For information only: this report does not form part of the audited Financial
Statements**

**Independent Report to the General Council of the Bar
In respect of the Statement under s.51 Legal Services Act 2007
(Continued)**

Use of this report

Our report is prepared solely for the use of the General Council of the Bar and solely for the purpose of assisting you in demonstrating that income from practising certificate fees has been used for the purposes set out in section 51 of the Legal Services Act 2007. It may not be relied upon by the General Council of the Bar for any other purpose whatsoever. Our report must not be recited or referred to in whole or in part in any other document without our prior written approval. We confirm that access to our report may be given to representatives of the Ministry of Justice for the purposes set out in section 51 of the Legal Services Act 2007 although, as our report is addressed to you as our client, Haysmacintyre neither owes nor accepts any duty to any party other than yourselves and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by their reliance on our report.

haysmacintyre

haysmacintyre
Chartered Accountants and Statutory Auditor
10 Queen Street Place
London. EC4R 1AG

Date: *18th September 2018*

Statement under s.51 Legal Services Act 2007

	2017/18 Spend		Analysis of Spend				Funded By				Total Income £000	Surplus / (Deficit) £000	
	Direct Spend £000	Allocated Costs £000	Total Spend £000	Permitted Purposes £000	Other Purpose £000	Direct Income £000	Inns Confn £000	BRF £000	Other £000	PCF (P.P. only) £000			
Expenditure/Costs:													
(A) Regulation (BSB)													
Regulatory Assurance	(1,881)	(1,095)	(2,976)	(2,976)	-	1,464	-	-	-	1,497	2,961	(15)	
Professional Conduct	(1,816)	(1,570)	(3,386)	(3,386)	-	5	-	-	-	3,366	3,371	(15)	
Strategy & Policy	(1,256)	(854)	(2,110)	(2,110)	-	-	-	-	-	2,100	2,100	(10)	
Comms and Public Engagement	(447)	(244)	(691)	(691)	-	-	-	-	-	687	687	(4)	
Movement in holiday accrual		(45)	(45)	(45)	-	-	-	-	-	45	45	-	
	(5,400)	(3,808)	(9,208)	(9,208)	-	1,469	-	-	-	7,695	9,164	(44)	
(B) Representation (BC)													
Approved Regulator: Corp.	(942)	(303)	(1,245)	(1,120)	(125)	125	-	-	-	1,165	1,290	45	
Donations:	(244)	0	(244)	(244)	0	-	-	-	-	244	244	-	
Representation & Policy:													
Legal Affairs, Practice, Ethics	(214)	(146)	(360)	(342)	(18)	-	-	18	-	333	351	(9)	
Law Reform & Regulatory Issues	(181)	(122)	(303)	(303)	-	-	-	-	-	295	295	(8)	
E&D	(184)	(108)	(292)	(292)	-	14	236	-	-	42	292	-	
Remuneration & Employed Bar	(177)	(98)	(275)	(261)	(14)	1	-	13	-	254	268	(7)	
International	(279)	(98)	(377)	(302)	(75)	17	-	58	-	293	368	(9)	
Brussels	(141)	0	(141)	(141)	-	-	-	-	-	141	141	-	
Communications	(331)	(195)	(526)	(395)	(131)	-	14	103	-	381	498	(28)	
Movement in holiday accrual		(39)	(39)	(26)	(13)	-	-	13	-	26	39	-	
	(2,693)	(1,109)	(3,802)	(3,426)	(376)	157	250	205	-	3,174	3,786	(16)	
(C) Services to the Bar:													
	(914)	(513)	(1,427)	-	(1,427)	648	-	781	-	-	1,429	2	
Bar Council (B) & (C)													
	(3,607)	(1,622)	(5,229)	(3,426)	(1,803)	805 ^r	250	986	-	3,174	5,215	(14)	
Principal Activities													
Subsidiary organisations	(9,007)	(5,430)	(14,437)	(12,634)	(1,803)	2,274	250	986	-	10,869	14,379	(58)	
			(62)		(62)	56	-	-	-	-	56	(6)	
GCB Operating Activities													
	(9,007)	(5,430)	(14,499)	(12,634)	(1,865)	2,330	250	986	-	10,869 ^r	14,435	(64)	
Non Operating Activities													
			(789)	(789)	-	-	-	-	(30)	1,758	1,728	939	
Total as per Income Statement (before Tax)													
			(15,288)	(13,423)	(1,865)	2,330	250	986	(30)	12,627	16,163	875	

** Other income includes £30k unrealised investment income losses.