



The Bar Council



REGULATING BARRISTERS

The General Council of the Bar

Financial Statements for the year to 31 March 2023

The General Council of the Bar
Financial Statements for the year to
31 March 2023

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Treasurer's Report

This year the General Council of the Bar (**GCB**) delivered an operating surplus for the year after tax, but an overall loss due to the DB pension scheme charge. The major factors affecting the results were:

- Release of the monies previously earmarked for the defined benefit pension scheme (**DB Pension Scheme**) deficit recovery plan. The triennial valuation was agreed on a valuation date basis which due to movement in the markets changed a deficit into a surplus. This meant that additional contributions from the employer were no longer required. Parts of these funds have been used to accelerate the repayment of the CBILs Loan and to mitigate the increase in PCF for the financial year 2023/24.
- Additional Bar Standards Board (**BSB**) regulatory income: this increase arose due to there being more students than anticipated.
- One-off savings due to cancelled events and work carried out in-house. It is not expected that the same level of savings will be achieved in the upcoming financial year.
- Savings in BSB exam costs due to work being carried out in-house. These savings have been reflected in the budgeted expenditure for the 2023/24 financial year.
- FRS102 actuarial valuation of the DB pension fund. The basis of this calculation is different from the triennial valuation which gave us a surplus.

Whilst the above movements in the DB Pension Scheme demonstrate a more favourable position than anticipated, they do not reflect the actuarial loss (in line with FRS102) in the pension fund of £1,165k which has resulted in a loss for the year of £183k.

However, the GCB reserves still remain in a strong position with total reserves as at 31 March 2023 of £10,521k. The GCB will continue to face some significant challenges in the coming year, in particular:

- Inflation and the “Cost of Living” crisis. We have to balance the desire to keep the PCF charge to a minimum against the need to attract and retain high quality and productive staff.
- The high level of inflation means that we have increased PCF fees for 2023/24, though this increase has been mitigated to 5% by the use of reserves and the release of funds previously earmarked for the pension deficit recovery plan. This means that we will have to spread the increase over a number of years which may result in above inflation increases in future years. The cyberattack on the GCB in April 2022 resulted in additional costs required to enhance the security systems.
- The DB Pension scheme triennial valuation took place on 30 September 2021. We agreed the valuation with the Pension Trustees on a valuation date basis which, due to market changes, resulted in the pension deficit becoming a surplus. The fact that we still have a charge to the income resulting in an overall loss highlights the importance of finding a long-term solution to the pension problem. To this end we have appointed Independent Trustees to the scheme and we are currently exploring the viability of a buy-out. The viability of this option will have a positive effect on the pension investment strategy that the GCB favours. The next triennial valuation will be in September 2024.

The increase in costs from 2021-22 to 2022 -23 was anticipated and budgeted for. The PCF covering the 2023/24 period was increased by 4.5% to reflect the additional operational costs and in part the additional costs of regulation proposed by the BSB.

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The current economic uncertainty reinforces the need to keep a strong focus on the GCB's cost structure. We need to constantly review actions which can deliver cost efficiencies and deliver value for money wherever possible within the organisation.

To help our members and other stakeholders gain a better understanding of the GCB's 2023 financial performance, I would like to highlight the following items:

- Reserves - total general reserves remain positive at £9,708k; the “permitted purposes” reserves are positive at £3,282k. The reserves figure should not be considered in isolation. Although we continue to increase our reserves, the free cash reserves (the readily “convertible to cash” amount) for the GCB parent is £4,907k as at 31 March 2023. This reflects the available amount of free cash required to sustain the organisation.
- Cash – the cash position must continue to be carefully monitored and managed.
- Revenue – total revenue has increased against the prior year by £1,633k. Most of this increase is due to PCF collected from the March 2022 collection (covering the income received in 2021). The previous year we likely saw the largest reduction of income due to the economic effects of Covid on Barrister income (assessed for the year 2020).
- We are coming to the end of our current five-year strategic plan and are in the process of developing the plan for the next five years (to be issued in 2024).

I would like to take this opportunity to thank the team at the GCB for all their hard work and dedication in what continues to be challenging times.

Financial Commentary

The financial statements for the General Council of the Bar 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 Council Scholarship Trust (BCST): a charitable trust included because GCB appoints the Trustees;
- The Barristers' Foundation (BF): a company limited by guarantee not having share capital is included because GCB appoints the Directors'; and
- Bar Properties Ltd – this is a dormant subsidiary that exists only to hold the lease on the office property. Its accounts are excluded as they are immaterial.

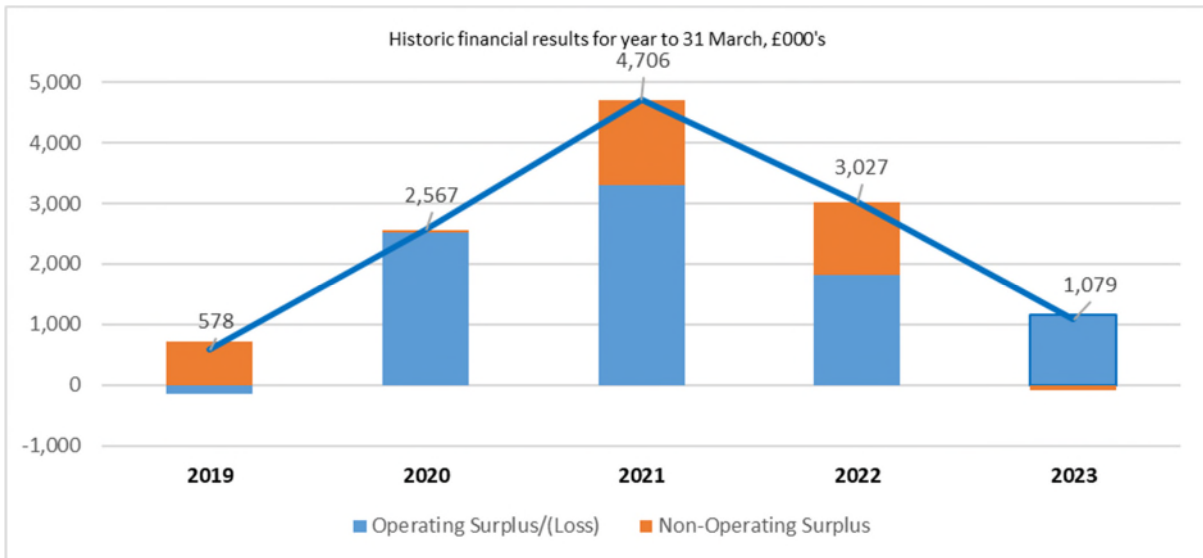
Each component part above has its own sources of income and expenditure but the BC and BSB share the compulsory practising certificate fee (PCF) and supporting overheads. These financial statements distinguish between BC and BSB operations to provide clarity on the application of income and the use of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

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Financial Review

The total comprehensive position was a loss of £183k (2021/22 surplus of £1,733k) for the GCB after accounting for the actuarial loss on the pension fund of £1,165k (2021/22 £1,164k).

Overall income increased by £1.6m to £22.3m from £20.7m in 2021/22. Total costs increased £3.5m to £21.2m (2021/22: £17.6m). A total surplus before taxation and actuarial valuations of £1,079k was achieved, down £1,948k against the prior year's surplus of £3,027k.



Historic financial results for year to 31 March, £000's					
	2019	2020	2021	2022	2023
- Bar Council	32	1,644	1,150	891	771
- Bar Standards Board	(165)	870	2,158	918	391
Operating Surplus/(Loss)	(133)	2,514	3,308	1,809	1,162
Non-Operating Surplus	711	53	1,398	1,218	(83)
Total Surplus/(Loss)	578	2,567	4,706	3,027	1,079

The operating activities are those day-to-day activities of the Bar Council and BSB. Operating costs were £3.6m higher at £20.2m (2021/22: £16.6m). Staffing costs increased £1,720k due to an increase in FTE's, remuneration increases, recruitment costs, and out-of cycle salary increases. Non-staffing costs increased by £1,258k due to inflationary increases, cyber-security reviews, and other external consultancy costs. The impact of increased operating costs has been partially mitigated by the increase in PCF collections of £2,080k. These movements have contributed to the operating surplus of £1,079k before taxation (2021/22 surplus of £3,027k)

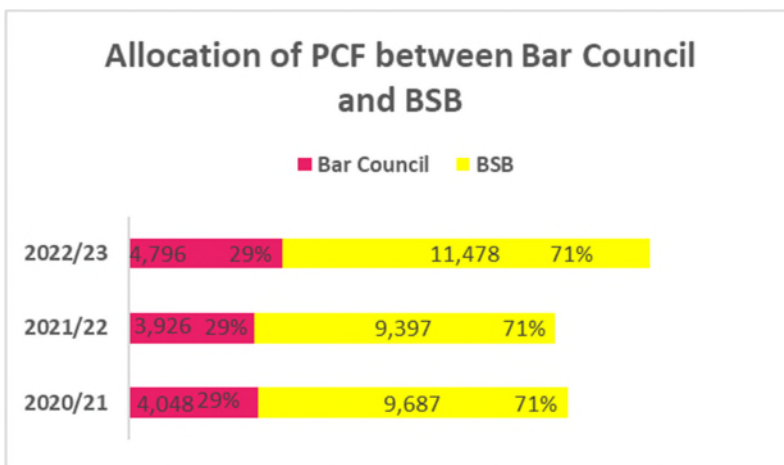
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Non-operating results include the actuarial adjustments for the closed defined benefit pension scheme, the annual levy contributions to the LSB and the legal ombudsman and accounting adjustments from GCB's investment valuations. A non-operating deficit of £83k was achieved (2021/22: £1,218k non-operating surplus) including the annual payment of £1,150k towards the defined benefit pension scheme under the agreed recovery plan.

The majority of income is derived from PCF. In 2022/23 £17.2m of PCF was applied to fund the organisation, an increase of £1.9m on the previous year (2021/22: £15.3m).

The GCB's share of the operating costs of the Legal Services Board and the legal ombudsman in 2022/23 was £922k (2021/22: £868k). This expenditure is funded through PCF income.

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.

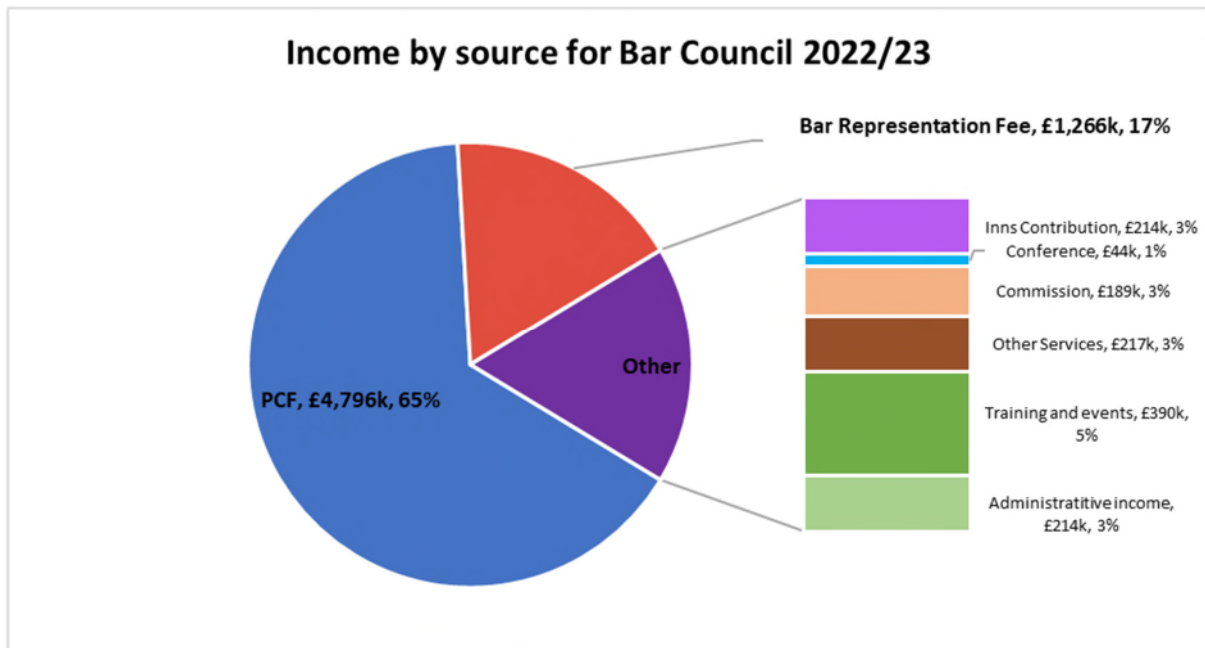


Bar Council

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 PCF needed to fund representation activities by building and maintaining a variety of income sources. 65% of the Bar Council's income is drawn from PCF (2021/22: 62%).

Total income increased 16%, £1,001k, to £7,330k (2021/22: £6,329k). Income from services to the Bar increased slightly by 0.2%, £1,882k v £1,878k; a £214k contribution from the Inns of Court was received towards wellbeing and educational activities.

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Expenditure increased 20.6%, £1,121k to £6,559k (2021/22: £5,438k). Non-recurring savings due to cancelled events during the previous financial year did not occur to the same frequency during the 2022/23 period. Consultancy and shared services expenditure increased compared to 2022/23. Further, increased salary costs due to additional FTE's, the 3.5% organisation wide salary uplift, and recruitment costs contributed to the overall increase in expenditure

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 16%, £1,896k to £13,990k (2021/22: £12,094k). Most of this was due to the £2,080 increase in revenue from practising fee income. This has been offset by the reduction in Regulatory and other income of £184k

Expenditure increased 22%, £2,423k to £13,599k (2021/22: £11,176k): staffing costs were £875k greater, £6,227k (2021/22: £5,352k) due to the BSB recruitment drive. Non-staff costs increased £535k due to increased external consultancy and legal representation costs. The remaining increase arose from the proportional share of Resources Group costs of £686k while being partially met by the movement in the holiday pay accrual of £327k with increased efforts to reduce staff leave balances.

Resources Group

The Resources Group includes the back-office functions of: Human Resources, Finance, Information Services, Office Services, the 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.

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Operating costs increased 16%, £975k, to £7,105k (2021/22: £6,130k) due to increased bank charges, portfolio management fees, IT remediation works, restructuring and recruitment costs, and other inflationary increases.

Assets, Liabilities and Reserves.

Net assets decreased to £10,521k (2021/22: £10,704k). This immaterial movement is driven primarily by timing of cash collection and payments. Total Assets have increased by £136k while being offset by the increase in liabilities of £319k.

Fixed Assets decreased by £815k to £5,666k (2021/22: £6,481k). This is largely attributable to capital works being deferred to later periods due to remedial IT works taking priority. Further, the fair value of investments has reduced by £126k compared to the previous year.

Debtors and prepayments decreased by £1,691k to £2,219k (2021/22: £3,910k) due to the timing differences in issuing invoices and cash received at year-end. There has been an increase in Chambers paying their block payment as part of Authorisation to Practise by 31 March 2023.

Cash levels increased to £30.3m (2021/22: £27.6m). The increase in the number of Barristers and Chambers paying their Practising Certificate Fee in full before 31 March 2023 has resulted in a higher cash balance at year-end.

Short-term creditors increased £2,012k to £25,272k (2021/22: £23,260k). This is due to timing differences in payment of creditors and the increase in the number Chambers and Barristers who had completed ATP at 31 March 2023.

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 2023, the scheme was in surplus but is reported in the accounts at nil value due to pension scheme rules that the Bar Council are not entitled to any asset and therefore FRS102 makes allowance to derecognise asset in these cases.

The investment loss for the year was £133k (2021/22: £204k gain). This decrease is attributable to market conditions which has resulted in the value of the portfolio decreasing.

The Long-Term Liability recognises the debt raised through the Coronavirus Business Interruption Loan Scheme of £2.35m (2021/22: £4m) payable in excess of 12 months. Repayments of this loan commenced in 2022/23. £1m of the loan is repayable within the next 12 months and this component has been included within creditors due within one year.

Reserves

General reserves have decreased to £9.7m (2021/22 £9.9m). £188k was incurred for legal costs and £200k was reallocated to the legal challenges reserve to maintain future legal defence costs of the BSB defending regulatory decisions.

There was no change in Pension reserves (2021/22: £nil) in line with the FRS102 valuation outcome.

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Statement of Key Risks

The GCB has a formal risk management process through which the organisation's risks are identified and monitored. The Bar Council and Bar Standards Board (BSB) 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 the 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 the risk registers of the Bar Council and BSB.

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 2023/24, the Management Team consider that the following risks should be noted:

Key Risk	Mitigating actions
The risk of changes being made to the regulatory arrangements in the 2007 Legal Services Act, which could 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 already actively seeks alternative funding options as part of its strategic plan. The Bar Council considers the likelihood of this risk materialising to be very low in the short term as there is little appetite in Government to make changes and an incoming Government would have much more pressing challenges.
A failure of cyber and information security safeguards leading to accidental or malicious security breaches.	The recommendations from the reviews following the 2022 cyber-attack have been implemented. The Business Continuity plans are being revised to take account of the lessons learned from the attack. The aim is to improve business resilience and accelerate the recovery time from any future attacks. This cyber-security improvement programme is monitored by the Chief Information Officer with regular oversight by the Senior Management and Audit Committee.
The risk to the GCB of a significant data breach reportable to the ICO	Systems have been enhanced to improve data security and integrity. Policies have been improved to emphasise the controls and security needed for sensitive data. Staff receive regular mandatory GDPR

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Key Risk	Mitigating actions
	training and updates on the controls needed to safeguard data.
Financial pressures (e.g inflation, continuing increases in the cost of regulation, reduced regulatory income, loss of financial support from the Inns), lead to the need to increase the Practising Fees for barristers above inflation, or to a depletion of the reserves below the rate set in the reserves policy.	The main source of income for the GCB is the PCF. The level of PCF has had to increase to cover rising costs over the last 2 years. This has been mitigated by prudent use of the reserves to reduce the impact on the PCF level in any given year. This balancing act will need to continue.
The plans the Bar Council has put in place to address the long-term financial obligation of the Defined Benefit Pension Scheme are insufficient and therefore undermine the Bar Council's financial security and reputation.	<p>The latest triennial valuation of the DB pension fund has been agreed on a date of valuation basis. This means the pension fund is no longer in a deficit position and the GCB is no longer required to pay into the pension deficit recovery plan. The next triennial valuation is in September 2024.</p> <p>New Independent Trustees have been appointed to the scheme. They are reviewing the pension investment strategy and exploring the viability of a buy out of the pension scheme.</p>

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

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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.

Disclosure of information to auditors

Each of the persons who are Council Members at the time when this report is approved has confirmed that:

- So far as the Council Member is aware, there is no relevant audit information of which the Bar Council is unaware, and
- Each Council Member has taken all steps that they ought to have taken to be aware of any relevant audit information and to establish that the auditors are aware of that information.

Approved by the Bar Council on 9 September 2023 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 2023 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 2023 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Council Members' 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 group'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 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

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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.

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.

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 group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to Employment law, Legal services act 2007 and GDPR, 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 including tax regulations and FRS102.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of override of controls. Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing correspondence with regulators and tax authorities;
- Reviewing the controls and procedures to ensure these were in place throughout the year;
- Reviewing and testing journal entries made in the year, particularly those made as part of the year-end financial reporting process;

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 LLP
Statutory Auditor
10 Queen Street Place
London EC4R 1AG

Date: **2023**

Haysmacintyre LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

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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 2023, 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.

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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 LLP
Statutory Auditor
10 Queen Street Place
London. EC4R 1AG

Date: **2023**

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Consolidated Income Statement of Comprehensive Income

	Notes	2023 £000's	2022 £000's
INCOME			
Regulation PCF (BSB)		11,478	9,398
Regulation (BSB)		2,512	2,696
Representation PCF		4,796	3,925
Representation		629	518
Services to the Bar		1,882	1,878
Subsidiaries		23	8
Non-operating activities PCF		922	2,018
Interest on Pension Assets		-	14
Investment Gain		-	204
Write off of pension reserve		50	-
		<u> </u>	<u> </u>
Total income	3 & 4	22,292	20,659
EXPENDITURE			
Regulation (BSB)		13,599	11,176
Representation		5,222	4,290
Services to the Bar		1,325	1,130
Subsidiaries		12	18
Non-operating activities PCF		922	1,018
Investment Loss		133	-
		<u> </u>	<u> </u>
Total expenditure	3	21,213	17,632
Surplus for the Year before Taxation		1,079	3,027
Taxation	17	(97)	(130)
		<u> </u>	<u> </u>
Surplus for the Year After Taxation		982	2,897
Actuarial (loss) on Pension Fund		(1,165)	(1,164)
		<u> </u>	<u> </u>
Total Comprehensive Income (loss)		(183)	1,733
		<u> </u>	<u> </u>
Represented by:			
General Council of the Bar Group		183	(1,733)
		<u> </u>	<u> </u>

The Notes on pages 21-42 form an integral part of these Statements

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31 March 2023

Consolidated Statement of Changes in Equity

	General Reserves	Pension Reserve	Charity Reserves	Group Total
	£000's	£000's	£000's	£000's
Balance: 1 Apr 2022	9,852	-	852	10,704
Changes in year:				
Surplus for the year	1,021	-	(39)	982
Acquisition of NCI	-	-	-	-
Transfer to Pension Reserve	(1,165)	1,165	-	-
Pension scheme: Actuarial Gain/(Loss)	-	(1,165)	-	(1,165)
	———	———	———	———
Balance: 31 Mar 2023	9,708	-	813	10,521
	=====	=====	=====	=====

	General Reserves	Pension Reserve	Charity Reserves	Group Total
	£000's	£000's	£000's	£000's
Balance: 1 Apr 2021	8,175	-	796	8,971
Changes in year:				
Surplus for the year	2,827	14	56	2,897
Acquisition of NCI	-	-	-	-
Transfer to Pension Reserve	(1,150)	1,150	-	-
Pension scheme: Actuarial Gain/(Loss)	-	(1,164)	-	(1,164)
	———	———	———	———
Balance: 31 Mar 2022	9,852	-	852	10,704
	=====	=====	=====	=====

The Notes on pages 21-42 form an integral part of these Statements.

The General Council of the Bar
Financial Statements for the year to
31 March 2023

Statements of Financial Position

		Parent		Group	
		31/03/2023	31/03/2022	31/03/2023	31/03/2022
		£000's	£000's	£000's	£000's
Fixed Assets					
Property, equipment and software	9	3,325	4,014	3,325	4,014
Investment in Subsidiaries	10	-	-	-	-
Investments	11	1,588	1,669	2,341	2,467
		<u>4,913</u>	<u>5,683</u>	<u>5,666</u>	<u>6,481</u>
Current Assets					
Debtors & Prepayments	12	2,216	3,953	2,219	3,910
Cash and cash equivalents Bank		30,178	27,501	30,258	27,616
		<u>32,394</u>	<u>31,454</u>	<u>32,477</u>	<u>31,526</u>
Creditors: due within one year	13	(25,271)	(23,260)	(25,272)	(23,260)
Net Current Assets		<u>7,123</u>	<u>8,194</u>	<u>7,205</u>	<u>8,266</u>
Total Assets less Current Liabilities		12,036	13,877	12,871	14,747
Pensions Liability	16	-	-	-	-
Bank loan	14	(2,350)	(4,043)	(2,350)	(4,043)
Net Assets		<u>9,686</u>	<u>9,834</u>	<u>10,521</u>	<u>10,704</u>
Represented by:					
General Reserve	8	9,686	9,834	9,708	9,852
Pensions Reserve		-	-	-	-
		<u>9,686</u>	<u>9,834</u>	<u>9,708</u>	<u>9,852</u>
Charitable Trust		-	-	813	852
		<u>9,686</u>	<u>9,834</u>	<u>10,521</u>	<u>10,704</u>

Approved and authorised for issue by the Bar Council on 17 September 2023 and signed on its behalf by:

Chair

Treasurer

The Notes on pages 21-42 form an integral part of these Statements.

The General Council of the Bar
Financial Statements for the year to
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Consolidated Statement of Cash Flows

	Year to 31/03/23 £000's	Year to 31/03/22 £000's
Reconciliation of Operating surplus to Net Cash Flow from operating activities:		
Operating Surplus	982	2,897
Investment Loss/(Gain)	133	(204)
Pension scheme contributions	(1,150)	(1,150)
Pension scheme net interest cost/(income) 16c	(141)	(42)
Taxation charge	97	130
Depreciation/amortisation charge	1,187	1,045
Decrease in Debtors	1,692	172
Increase/(Decrease) in Creditors	1,864	2,101
	<hr/>	<hr/>
Net Cash Flow from Operating Activities	4,664	4,949
Investing activities:		
Purchase of Tangible and intangible fixed assets (inc WIP)	(498)	(717)
Purchase of Investments	(350)	(2,031)
Sale of Investments	476	2,078
Decrease in borrowing	(1,650)	-
	<hr/>	<hr/>
Cash Flow from Investing Activities	(2,022)	(670)
	2,642	4,279
Increase/(Decrease) in Cash and cash equivalents		
Cash and cash equivalents at 1 April	27,616	23,337
	<hr/>	<hr/>
Cash and cash equivalents at 31 March	30,258	27,616
	<hr/> <hr/>	<hr/> <hr/>

Analysis of net debt

	As at 31 March 2022	Cashflows	As at 31 March 2023
Cash and cash equivalents			
Bank	27,616	2,642	30,258
Bank loans	(5,000)	1,650	(3,350)
	<hr/>	<hr/>	<hr/>
Total	22,616	4,292	26,908

The Notes on pages 21-42 form an integral part of these Statements.

The General Council of the Bar
Financial Statements for the year to
31 March 2023

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 investments, and in accordance with FRS102 *the financial reporting standard applicable in the UK and Ireland*.

The accounts have been prepared on the assumption that the Bar Council is able to carry on its activities as a going concern. In assessing the Bar Council's ability to continue as a going concern, the members have considered the Bar Council's liquidity position and reviewed cash flow forecasts for the foreseeable future.

For this reason, the members continue to adopt the going concern basis in preparing the accounts.

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 Direct Access Portal Ltd, 100% owned by GCB), a charitable trust (the Bar Council Scholarship Trust), a charitable company (the Barristers' Foundation). 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

The General Council of the Bar
Financial Statements for the year to
31 March 2023

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.

Tangible and Intangible fixed assets

Property, equipment and computer software are measured at historical cost.

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

- Leasehold improvements: Over the remaining period of the lease
- Office furniture and IT equipment: 33.3%
- Database and Computer Software (intangible): 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 and amortisation is usually charged from the date that an asset is first brought into use. In respect of databases, amortisation commences once the asset is fully functional: see Note 9.

Investments

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 and joint venture

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

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.

Borrowing costs

All borrowing costs are recognised in statement of comprehensive income in the year in which they are incurred.

Financial Instruments

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

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 equity and unit trust investments. Deferred tax assets are only recognised to the extent that it is probable that they

The General Council of the Bar
Financial Statements for the year to
31 March 2023

will be recovered against the reversal of deferred tax liabilities or the reduction of other future tax liabilities.

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
31 March 2023

3.Expenditure Analysis & Statement under s.51 Legal Services Act 2007

Expenditure/Costs:	2022/23 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 Cont'n £000	BRF £000	Other £000	PCF (P.P. only) £000			
(A) Regulation (BSB)													
Regulatory Operations	(4,430)	(2,639)	(7,069)	(7,069)	-	2,241	-	-	91	6,008	8,340	1,271	
Legal and Enforcement	(2,500)	(1,348)	(3,848)	(3,848)	-	99	-	-	46	3,071	3,216	(632)	
Strategy & Policy	(1,231)	(791)	(2,022)	(2,022)	-	-	-	-	27	1,803	1,830	(192)	
Comms and Public Engagement	(365)	(233)	(598)	(598)	-	0	-	-	8	534	542	(56)	
Movement in holiday accrual		(62)	(62)	(62)	-	-	-	-	-	62	62	0	
	(8,526)	(5,073)	(13,599)	(13,599)	-	2,340	-	-	172	11,478	13,990	391	
(B) Representation (BC)													
Approved Regulator: Corp.	(1,170)	(530)	(1,700)	(1,530)	(170)	-	-	-	72	1,477	1,549	(151)	
Donations:	(234)	-	(234)	(234)	-	-	-	-	-	234	234	-	
Representation & Policy:													
Regulation, Law Reform & Ethics	(274)	(159)	(433)	(411)	(22)	10	-	-	-	397	407	(26)	
Legal Practice & Remuneration	(281)	(159)	(440)	(440)	-	-	-	-	-	425	425	(15)	
Diversity & Inclusion	(438)	(212)	(650)	(650)	-	73	202	-	-	628	903	253	
International	(345)	(159)	(504)	(479)	(25)	35	-	-	-	462	497	(7)	
Brussels	(150)	0	(150)	(120)	(30)	-	-	-	-	116	116	(34)	
Communications/Marketing	(637)	(398)	(1,035)	(1,035)	-	-	12	207	-	999	1,218	183	
Movement in holiday accrual		(76)	(76)	(18)	(58)	-	-	18	-	58	76	-	
	(3,529)	(1,693)	(5,222)	(4,917)	(305)	118	214	225	72	4,796	5,425	203	
(C) Services to the Bar:	(848)	(477)	(1,325)	-	(1,325)	841	-	1,041	-	-	1,882	557	
Bar Council (B) & (C)	(4,377)	(2,170)	(6,547)	(4,917)	(1,630)	959	214	1,266	72	4,796	7,307	760	
Principal Activities	(12,903)	(7,243)	(20,146)	(18,516)	(1,630)	3,299	214	1,266	244	16,274	21,297	1,151	
Subsidiary organisations		(12)	(12)		(12)	23	-	-	-	-	23	11	
GCB Operating Activities	(12,903)	(7,255)	(20,158)	(18,516)	(1,642)	3,322	214	1,266	244	16,274	21,320	1,162	
Non Operating Activities			(1,055)	(1,055)	-				50	922	972	(83)	
Total as per Income Statement (before Tax)			(21,213)	(19,571)	(1,642)	3,322	214	1,266	294	17,196	22,292	1,079	

* Other expenditure includes £133k unrealised investment loss.

The General Council of the Bar
Financial Statements for the year to
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Prior year comparative information can be found (In note 18) on page 42.

4. Analysis of income by division

	Bar Standards Board		Bar Council		Subtotal Operating Results		Non-Operating Results		Total GCB	
	2023 £000's	2022 £000's	2023 £000's	2022 £000's	2023 £000's	2022 £000's	2023 £000's	2022 £000's	2023 £000's	2022 £000's
Practising Certificate Fees	11,478	9,398	4,796	3,925	16,274	13,323	922	2,018	17,196	15,341
Inns Contributions	-	-	214	214	214	214	-	-	214	214
Bar Representation Fee Subscriptions	-	-	1,266	1,278	1,266	1,278	-	-	1,266	1,278
Fees, Charges & Services	2,512	2,696	1,054	912	3,566	3,608	-	-	3,566	3,608
Government Grant	-	-	-	-	-	-	-	-	-	-
Interest on Pension Assets	-	-	-	-	-	-	50	14	50	14
	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Total Income	13,990	12,094	7,330	6,329	21,320	18,423	972	2,032	22,292	20,455
	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Total Expenditure	13,599	11,176	6,559	5,438	20,158	16,614	922	1,018	21,080	17,632
Investment gains/ (losses)		-	-	-		-	(133)	204	(133)	204
Surplus/ (Loss) Before Taxation	391	918	771	891	1,162	1,809	(83)	1,218	1,079	3,027
<u>Analysis of Surplus by Source Before Taxation:</u>										
Permitted Purposes	391	918	456	408	847	1,326	(83)	1,218	764	2,544
Other	-	-	315	483	315	483	-	-	315	483

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Financial Statements for the year to
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5 (a) Non-Operating Expenditure

	Year to 31/03/23 £000's	Year to 31/03/22 £000's
Payments:		
LSB Running Costs	387	374
OLC Running Costs	535	494
	<u> </u>	<u> </u>
Subtotal	922	868
Net pension scheme	-	150
Other Pension Costs	-	-
	<u> </u>	<u> </u>
	922	1,018
	<u> </u>	<u> </u>
Recorded as Operating Costs		-
Non-Operating Costs	922	1,018
	<u> </u>	<u> </u>

5 (b) Operating result

	Year to 31/03/23 £000's	Year to 31/03/22 £000's
The Operating Result has been arrived at after charging:		
Auditors' remuneration:		
Audit fees	38	34
Non-audit services:		
Accounts preparation	3	3
Taxation compliance	12	10
Depreciation	1,188	1,066
Operating lease property rentals	560	560

5 (c) Divisional expenditure

	Bar Standards Board		Bar Council		Resources Group		Total GCB	
	2023	2022	2023	2022	2023	2022	2023	2022
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Direct Staffing	6,227	5,352	3,163	2,725	2,271	1,864	11,661	9,941
Other Direct Costs	2,299	1,764	1,214	1,059	4,834	4,266	8,347	7,089
Direct Costs	8,526	7,116	4,377	3,784	7,105	6,130	20,008	17,030
Overhead Allocation	5,011	4,325	2,094	1,805	(7,105)	(6,130)	-	-
Cost of Subsidiaries	-	-	12	18	-	-	12	18
Movement in Holiday Pay accrual	62	(265)	76	(169)	-	-	138	(434)
Divisional Operating Costs	13,599	11,176	6,559	5,438	-	-	20,158	16,614

Direct staff costs include salaries, wages and employment related costs (note 6).

The General Council of the Bar
Financial Statements for the year to
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The movement in holiday pay accrual is allocated between divisions according to headcount. Resources Group costs are allocated to business areas where business specific costs arise otherwise are apportioned according to average headcount.

6. Employment costs

	Year to 31/03/23 £000's	Year to 31/03/22 £000's
Salaries	8,556	7,834
National Insurance	1,011	825
DC Pension Contribution	629	578
DB Pension Contribution	-	1,150
Other Staff Costs, Temporary Staff & Recruitment	798	283
Termination payments	67	25
	<hr/>	<hr/>
Total Costs of Employment	11,061	10,695
	<hr/> <hr/>	<hr/> <hr/>

During the year the Bar Council contributed £1.15m (2020/21: £1.15m) to the Defined Benefit Pension Scheme. This is included in the Income Statement.

Office Holders & Key Management Personnel

Number of Key Management Personnel by total remuneration

	2023				2022			
	RGP	Bar Council	BSB	Total	RGP	Bar Council	BSB	Total
Total Remuneration level								
£160,000 or greater	-	2	-	2	-	1	-	1
£140,000-£159,999	-	-	1	1	-	1	1	2
£120,000-£139,999	1	-	-	1	1	-	-	1
£100,000-£119,999	1	1	5	7	-	1	4	5
£80,000-£99,999	-	4	1	5	1	4	2	7
Less than £80,000	-	1	1	2	-	1	1	2
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Total Remuneration of Key Management Personnel	226	927	834	1,987	218	807	814	1,839
(£000's)								

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 £193,450 (2021/22: £204,978) and the Chair of BSB was paid £105,684 pro rata (2021/22: £91,056).

The Vice-Chair of the Bar was paid £96,725 (2021/22: £89,396). The Vice-Chair of the BSB received £38,690 pro rata (2021/22: £39,727).

The Treasurer received £nil remuneration in the year (2021/22: £nil).

The Chair of the Young Bar Committee was paid £21,584 (2021/22: £25,000). 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 7 below.

7. 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, the, and the Barristers' Foundation. The Bar Council has borne administration expenses for these three bodies of £7,440. (2022 - £9,630)

The General Council of the Bar is the sole shareholder Bar Council Properties Limited. The Chief Executive of the Bar Council holds the one share in issue in Bar Council Properties Limited on behalf of the Council.

The General Council of the Bar provides accounting and secretarial services to Kings Counsel Appointments (KCA) at a charge of £7,000, plus VAT per annum (2021/22: £7,000 plus VAT). In addition, both of the members of KCA received a management fee in 2022/23 of £25,000 plus VAT (2021/22: £25,000 plus VAT).

Kings Counsel Appointments Limited made a grant to The General Council of the Bar amounting to £75,000 (2021/22: £75,000)

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 £45,436 (2021/22: £20,085). There were no other related party transaction requiring disclosure in this year or prior year.

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

	Permitted purpose £000's	*Legal challenges £000's	Other General Reserves £000's	Total General Reserves £000's
Balance at 1 April 2021	2,950	300	4,925	8,175
Surplus	1,940	-	887	2,827
Transfer to Pension Reserve	(1,150)	-	-	(1,150)
Transfer to Legal Challenges Reserve	(100)	100	-	-
Transfer for legal costs	104	(104)	-	-
Acquisition of NCI	-	-	-	-
Balance 31 March 2022	<u>3,744</u>	<u>296</u>	<u>5,812</u>	<u>9,852</u>
Surplus	715	-	306	1,021
Transfer to Pension Reserve	(1,165)	-	-	(1,165)
Transfer to Legal Challenges Reserve	(200)	200	-	-
Transfer for legal costs	188	(188)	-	-
Acquisition of NCI	-	-	-	-
Balance 31 March 2023	<u><u>3,282</u></u>	<u><u>308</u></u>	<u><u>6,118</u></u>	<u><u>9,708</u></u>

*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 2023.

9. Fixed Assets

GCB/Group	Leasehold Improvement £000's	Office Furniture £000's	IT Equipment £000's	Database/ Software £000's	Total £000's
Cost					
Balance: 1 April 2022	2,214	94	996	5,386	8,690
Additions	-	-	330	168	498
Disposals	-	-	-	-	-
Balance: 31 March 2023	<u>2,214</u>	<u>94</u>	<u>1,326</u>	<u>5,554</u>	<u>9,188</u>
Depreciation and amortisation					
Balance: 1 April 2022	502	42	608	3,524	4,676
Charge for the year	244	22	206	715	1,187
Disposals	-	-	-	-	-
Balance: 31 March 2023	<u>746</u>	<u>64</u>	<u>814</u>	<u>4,239</u>	<u>5,863</u>
Net Book Value					
At 31 March 2023	<u><u>1,468</u></u>	<u><u>30</u></u>	<u><u>512</u></u>	<u><u>1,315</u></u>	<u><u>3,325</u></u>
At 31 March 2022	<u><u>1,712</u></u>	<u><u>52</u></u>	<u><u>388</u></u>	<u><u>1,862</u></u>	<u><u>4,014</u></u>

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9. Fixed assets (continued)

The Group fixed asset values differ to the Parent by £1k due to Property, plant and equipment held by Subsidiary undertakings. Included within the Net Book Value are assets under construction (AUC) amounting to £107k (2021/22: £6k).

Of the total assets held those classified as Database/Software relate to intangible assets.

10. Subsidiaries & associated bodies

The group accounts consolidate the accounts of the General Council of the Bar and one subsidiary company together with the charities under the Council's control.

GCB Subsidiary Investments

Company	Loan £'s	Shares £'s	Statement of Financial Position £000's
Bar Council Properties Ltd	-	1	-

			-
			=====

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.

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10. Subsidiaries & associated bodies (continued)

Bar Council Scholarship Trust

The General Council of the Bar appoints the Trustees of the 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 2023, the net assets of the Trust stood at £813k (2021/22: £852k).

Direct Access Portal

Bar Direct Access Portal Ltd operates a public listing of barristers to enable members of the public to search for barristers directly. The Direct Access Portal is 100% owned by the General Council of the Bar. Dissolved in May 2023.

The Barristers' Foundation

The General Council of the Bar appoints the Trustees of the charity, The Barristers' Foundation (TBF) registered charity No.1186390. TBF supports barristers (and prospective barristers) who may be disadvantaged within the workplace, thereby supporting diversity in the profession.

The results of the subsidiaries for the year ending 31 March 2023 are as follows:

	Bar Scholarship Trust		Direct Access Portal Limited		The Barristers' Foundation	
	2023	2022	2023	2022	2023	2022
	£'000	£'000	£'000	£'000	£'000	£'000
Income statement						
Income	19	17	-	-	14	11
Expenditure	(14)	(12)	-	(1)	(9)	(8)
Forgiveness of loan from parent	-	-	-	-	-	-
Net result for the year	5	5	-	(1)	5	3
Balance Sheet						
Fixed Assets	-	-	-	-	-	-
Investments	753	797	-	-	-	-
Net current assets/ (liabilities)	60	55	-	8	14	9
Net assets	813	852	-	8	15	9

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11. Investments

	Parent		Group	
	2023 £000's	2022 £000's	2023 £000's	2022 £000's
Market Value				
Balance: 1 April	1,670	1,535	2,467	2,281
Additions at cost	108	1,670	350	2,031
Disposal proceeds	(53)	(1,586)	(334)	(1,944)
Unrealised gains/(losses)	(301)	(83)	(365)	(105)
Realised gains/(losses)	164	134	223	204
	<u>1,588</u>	<u>1,670</u>	<u>2,341</u>	<u>2,467</u>
Balance: 31 March 2023	<u>1,588</u>	<u>1,670</u>	<u>2,341</u>	<u>2,467</u>
Analysis: Investments	1,543	1,653	2,257	2,413
Cash	45	17	84	54
	<u>1,890</u>	<u>1,619</u>	<u>2,706</u>	<u>2,367</u>
Historical Cost	1,890	1,619	2,706	2,367

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	
	2023 £000's	2022 £000's	2023 £000's	2022 £000's
Trade Debtors	1,237	2,834	1,237	2,832
Accrued Income	29	53	30	54
Prepayments	772	842	774	845
Other Debtors	178	224	178	179
	<u>2,216</u>	<u>3,953</u>	<u>2,219</u>	<u>3,910</u>
	<u>2,216</u>	<u>3,953</u>	<u>2,219</u>	<u>3,910</u>

The amount of trade debtors is stated net after deducting a bad debt provision of £3k (2021/22: £3k).

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Financial Statements for the year to
31 March 2023

13. Creditors: due within one year

	Parent		Group	
	2023 £000's	2022 £000's	2023 £000's	2022 £000's
Deferred Income: PCF	18,117	15,361	18,117	15,361
BRF	879	807	879	807
	<u>18,996</u>	<u>16,168</u>	<u>18,996</u>	<u>16,168</u>
Deferred Income (see note 13b)				
PCF funded pension contribution	-	2,500	-	2,500
	<u>261</u>	<u>375</u>	<u>261</u>	<u>375</u>
Trade Creditors				
Accruals and other deferred income	2,676	1,260	2,676	1,260
Other taxes & social security	415	450	415	450
Sundry Creditors	1,923	1,550	1,924	1,550
Bank Loan	1,000	957	1,000	957
	<u>6,275</u>	<u>4,592</u>	<u>6,276</u>	<u>4,592</u>
Other Creditors				
Total creditors	<u>25,271</u>	<u>23,260</u>	<u>25,272</u>	<u>23,260</u>

The PCF funded pension contribution represents that element of PCF collected in the 2023 fees collection process to be allocated to fund the DB pension scheme recovery plan contributions from April 2023.

13 a) Deferred income and Non-Operating Income

	LSB/OLC Levy		Pension Scheme Contribution		Total	
	Year to 31/03/23 £000's	Year to 31/03/22 £000's	Year to 31/03/23 £000's	Year to 31/03/22 £000's	Year to 31/03/23 £000's	Year to 31/03/22 £000's
Balance at the 1st April	-	-	2,500	2,350	2,500	2,350
Amounts Collected in year	922	868	-	1,300	922	2,168
Recognised in Non-Operating Income	(922)	(868)	-	(1,150)	(922)	(2,018)
Repayments during the year	-	-	(1,150)	-	(1,150)	-
Release of pension reserve	-	-	(1,300)	-	(1,300)	-
Write-off of pension liability	-	-	(50)	-	(50)	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,500</u>	<u>-</u>	<u>2,500</u>
Balance at the 31st March						

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13b. Deferred income movements

	PCF		BRF	
	£000's	£000's	£000's	£000's
	2023	2022	2023	2022
Balance as at 1 April	15,361	13,646	807	836
Amounts collected during the year	19,030	17,056	1,338	1,249
Recognised in Operating Income	(16,274)	(15,341)	(1,266)	(1,278)
Balance at 31 March	18,117	15,361	879	807

14. Loan Payable

At 31 March 2023 the Bar Council had a Loan of £5m interest free for 12 months. Repayments are due from March 2023 over a 72 month period at 1.69% p.a. over base Rate. There is a fixed charge over the property owned by the Bar Council for this loan.

Loan repayments schedule:

	2023	2022
	£000's	£000's
Within 1 year	1,000	957
Within 1-2 years	1,000	957
Within 3-5 years	1,350	3,086

15. Commitments

(a) As at 31 March 2023, the Bar Council had non-cancellable commitments for operating leases as follows:

	Land & Buildings	
	2023	2022
	£000's	£000's
Expiring: Within 1-2 years	1,157	1,157
Expiring: Within 3-5 years	1,736	1,736
Expiring: >5years	1,157	1,736

The gross property rental charge for the period was £578,527 (2021/22: £578,523).

The commitments reflect the rental lease to the first break-point of the lease agreement to March 2030.

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16. Defined Benefit Pension Scheme

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

The Bar Council and the Fund’s Trustees agreed a deficit reduction plan following the actuarial valuation as at 30 September 2018. The Bar Council paid contributions of £1.0 million in April 2019 and two payments of £575k each in April and October 2022. The Bar Council have agreed to make payments of £1.15M in April 2023 and April 2023. The Bar Council paid the 2022/23 contributions of £1.15M to the defined benefit pension fund over the year to 31 March 2023.

A full actuarial valuation of the defined benefit scheme was carried out as at 30 September 2022, and has been updated to 31 March 2023 by a qualified independent actuary.

This disclosure shows the Fund to have a surplus at 31 March 2023 of £4.8m (31 March 2022: £1.5m surplus). This increase in the surplus is primarily due to:

- The improvement in market conditions (primarily the increase in the discount rate) which has reduced the value of the liabilities over the year.
- The employer paid a deficit reduction of £1.15m to the scheme during the year.

This was partially offset by:

- The actual return on assets being lower than expected over the year.

These positive factors have been partially offset by an decrease in the discount rate used to place a present value on the Fund's future liabilities.

(a) Assumptions:

The major financial assumptions used by the actuary were:

	2023	2022
Rates per annum:	%	%
Inflation (CPI)	3.05	3.05
Salary increases	N/A	N/A
Discount Rate	4.75	2.60
Pension in payment increases (CPI, max 5%, Min 3%)	3.40	3.40
Proportion of employees opting for early retirement		
Revaluation rate for deferred pensions	5.00	5.00

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16. Defined Benefit Pension Scheme (continued)

(a) Assumptions (continued):

The mortality assumptions adopted imply the following life expectancies:

	2023	2022
Male retiring at age 65 today	21.7	21.8
Female retiring at age 65 today	24.0	24.2
Male retiring at age 65 in 20 years	22.7	22.7
Female retiring at age 65 in 20 years	25.1	25.3

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	0.0007	0.0003
- 40	0.0010	0.0007
- 50	0.0023	0.0016
- 60	0.0044	0.0031

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

	2023	2022
	£000's	£000's
Fair value of scheme assets: see (e) below	24,830	30,310
Present value of scheme liabilities: see (d) below	(18,168)	(25,483)
	<hr/>	<hr/>
Surplus in scheme	6,662	4,827
	<hr/>	<hr/>
Asset to be recognised	-	-
	<hr/>	<hr/>

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Financial Statements for the year to
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16. Defined Benefit Pension Scheme
(continued)

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

	2023	2022
	£000's	£000's
Income		
Interest Income	(802)	(613)
	<u> </u>	<u> </u>
Expenditure		
Interest Cost	661	571
	<u> </u>	<u> </u>
Total recognised in Consolidated Income Statement	(141)	(42)
	<u> </u>	<u> </u>
Actual return/(loss) on scheme assets	(6,524)	(720)

Administration expenses of £Nil (2020/21: £Nil) were paid from scheme assets during the accounting period to 31 March 2023.

(d) Amounts reported under the Statement of Other Comprehensive income are as follows:

	2023	2022
	£000's	£000's
Return on Scheme Assets excluding amounts included in interest expense/income	(7,326)	(1,333)
Re-measurement gains/(losses) on the defined benefit obligation - experience	(1,655)	185
Re-measurement gains/(losses) on the defined benefit obligation – changes in assumptions	9,525	3,241
Surplus Withheld – no cash benefit arising from reduction in or return of contributions	(1,709)	(3,257)
	<u> </u>	<u> </u>
Re-measurement gains/(losses) recognised in other comprehensive income	(1,165)	(1,164)
	<u> </u>	<u> </u>

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Financial Statements for the year to
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16. Defined Benefit Pension Scheme (continued)

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

	2023	2022
	£000's	£000's
Scheme Liabilities: 1 April	25,483	28,688
Interest expense	661	571
Actuarial (gain)/loss	(7,870)	(3,426)
Benefits paid & Life Assurance Premium	(106)	(350)
	<u> </u>	<u> </u>
Scheme Liabilities: 31 March	18,168	25,483
	<u> </u>	<u> </u>

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

(f)	2023	2022
	£000's	£000's
Scheme Assets: 1 April	30,310	30,230
Interest Income	802	613
Return on Scheme assets excluding amounts included under interest expense/income	(7,326)	(1,333)
Employer Contributions	1,150	1,150
Administration fee paid from Scheme assets	-	-
Benefits paid & Life Assurance Premium	(106)	(350)
	<u> </u>	<u> </u>
Scheme Assets: 31 March	24,830	30,310
	<u> </u>	<u> </u>

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

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16. Defined Benefit Pension Scheme (continued)

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

	2023	2022
	%	%
Equities	14.2	12.9
Bonds	67.8	77.2
Cash	18.0	9.9
	<hr/>	<hr/>
Total Assets	100.0	100.0
	<hr/>	<hr/>

17. Taxation

	2023	2022
	£000's	£000's
Current tax on surplus for the year	97	130
	<hr/>	<hr/>
Total current tax	97	130
	<hr/> <hr/>	<hr/> <hr/>

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2022 - the same as) the standard rate of corporation tax in the UK of 19% (2022 - 19%) as set out below:

	2023	2022
	£000's	£000's
Surplus on ordinary activities	1,079	3,027
	<hr/> <hr/>	<hr/> <hr/>
Multiplied by standard rate of corporation tax in UK of 19%	205	575
Effects of:		
Fixed asset differences	203	167
Expenses/income not deductible for tax purposes	(319)	(629)
Chargeable gains	39	(39)
Adjustments to tax charge in respect of previous periods	13	
Movement in deferred tax	(44)	56
	<hr/>	<hr/>
Total tax charge for the year	97	130
	<hr/> <hr/>	<hr/> <hr/>

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17. Taxation (continued)

The Bar Council Scholarship Trust and The Barristers' Foundation are registered charities and all its income is exempt from tax under ss. 521-536 ITA 2007.

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Note 18: PRIOR YEAR Expenditure Analysis and Statement under s.51 Legal Services Act 2007

Expenditure/Costs:	2021/22 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 Cont'n £000	BRF £000	Other £000	PCF (P.P. only) £000		
(A) Regulation (BSB)												
Regulatory Operations	(3,667)	(2,332)	(5,999)	(5,999)	-	2,564	-	-	-	5,209	7,773	1,774
Legal and Enforcement	(1,926)	(1,067)	(2,993)	(2,993)	-	115	-	-	-	2,384	2,499	(494)
Strategy & Policy	(1,135)	(702)	(1,837)	(1,837)	-	13	-	-	-	1,568	1,581	(256)
Comms and Public Engagement	(388)	(224)	(612)	(612)	-	4	-	-	-	502	506	(106)
Movement in holiday accrual		265	265	265	-	-	-	-	-	(265)	(265)	-
	<u>(7,116)</u>	<u>(4,060)</u>	<u>(11,176)</u>	<u>(11,176)</u>	<u>-</u>	<u>2,696</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,398</u>	<u>12,094</u>	<u>918</u>
(B) Representation (BC)												
Approved Regulator: Corp.	(1,022)	(445)	(1,467)	(1,320)	(147)	98	-	-	-	1,256	1,354	(113)
Donations:	(262)	-	(262)	(262)	-	-	-	-	-	262	262	-
Representation & Policy:												
Regulation, Law Reform & Ethics	(219)	(148)	(367)	(349)	(18)	-	-	-	-	332	332	(35)
Legal Practice & Remuneration	(275)	(148)	(423)	(423)	-	-	-	-	-	403	403	(20)
Diversity & Inclusion	(378)	(173)	(551)	(551)	-	68	202	-	-	524	794	243
International	(249)	(124)	(373)	(354)	(19)	5	-	-	-	337	342	(31)
Brussels	(146)	-	(146)	(117)	(29)	-	-	-	-	111	111	(35)
Communications/Marketing	(524)	(346)	(870)	(870)	-	-	12	174	-	828	1,014	144
Movement in holiday accrual		169	169	41	128	-	-	(41)	-	(128)	(169)	-
	<u>(3,075)</u>	<u>(1,215)</u>	<u>(4,290)</u>	<u>(4,205)</u>	<u>(85)</u>	<u>171</u>	<u>214</u>	<u>133</u>	<u>-</u>	<u>3,925</u>	<u>4,443</u>	<u>153</u>
(C) Services to the Bar:	<u>(709)</u>	<u>(421)</u>	<u>(1,130)</u>	<u>-</u>	<u>(1,130)</u>	<u>733</u>	<u>-</u>	<u>1,145</u>	<u>-</u>	<u>-</u>	<u>1,878</u>	<u>748</u>
Bar Council (B) & (C)	<u>(3,784)</u>	<u>(1,636)</u>	<u>(5,420)</u>	<u>(4,205)</u>	<u>(1,215)</u>	<u>904</u>	<u>214</u>	<u>1,278</u>	<u>-</u>	<u>3,925</u>	<u>6,321</u>	<u>901</u>
Principal Activities	<u>(10,900)</u>	<u>(5,696)</u>	<u>(16,596)</u>	<u>(15,381)</u>	<u>(1,215)</u>	<u>3,600</u>	<u>214</u>	<u>1,278</u>	<u>-</u>	<u>13,323</u>	<u>18,415</u>	<u>1,819</u>
Subsidiary organisations		(18)	(18)		(18)	8	-	-	-	-	8	(10)
GCB Operating Activities	<u>(10,900)</u>	<u>(5,714)</u>	<u>(16,614)</u>	<u>(15,381)</u>	<u>(1,233)</u>	<u>3,608</u>	<u>214</u>	<u>1,278</u>	<u>-</u>	<u>13,323</u>	<u>18,423</u>	<u>1,809</u>
Non Operating Activities			<u>(1,018)</u>	<u>(1,018)</u>	<u>-</u>				<u>218</u>	<u>2,018</u>	<u>2,236</u>	<u>1,218</u>
Total as per Income Statement (before Tax)			<u>(17,632)</u>	<u>(16,399)</u>	<u>(1,233)</u>	<u>3,608</u>	<u>214</u>	<u>1,278</u>	<u>218</u>	<u>15,341</u>	<u>20,659</u>	<u>3,027</u>

** Other income includes £204k unrealised investment income gain.

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Officers and Professional Advisers

The Bar Council

Officers

Chair:	Jan 23 to Mar 23	Nick Vineall KC
Vice Chair:	Jan 23 to Mar 23	Samuel Townend KC
Treasurer:		Lorinda Long
Chair:	Apr 22 to Dec 22	Mark Fenhalls KC
Vice Chair:	Apr 22 to Dec 22	Nick Vineall KC
Chief Executive		Malcolm Cree CBE

Bar Standards Board

Chair:	Apr 22 to Aug 22	Baroness Tessa Blackstone
Chair:	Sep 22 to Mar 23	Kathryn Stone OBE
Vice Chair:		Andrew Mitchell KC
Director-General		Mark Neale

Corporate Advisors

Auditors

Haysmacintyre LLP
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