THE DENNING FUND

England & Wales · Charity number 1102414

Details

Status	Registered
Legal form	Other
Registered	2004-03-01
Register	View on the Charity Commission register

Contact

Address	Honourable Society Of Lincolns Inn: Lincolns Inn London WC2A 3TL
Phone	02076935113
Email	accounts@lincolnsinn.org.uk

Activities

Objects: FOR GENERAL CHARITABLE PURPOSES

Activities: Educational Scholarships

Classification

- **How:** Acts As An Umbrella Or Resource Body
- **What:** Education/training
- **Who:** Other Defined Groups

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-12-31	£223,832	£210,205	-	-
2024-12-31	£182,689	£171,524	-	-
2023-12-31	£161,004	£151,947	-	-
2022-12-31	£168,056	£169,593	-	-
2021-12-31	£171,571	£156,469	-	-
2020-12-31	£163,789	£147,941	-	-

Trustees

Name	Role	Appointed
ALAN BOYLE QC	Chair	
DOUGLAS HENRY DAY QC		
JOHN MANNERS JARVIS QC		
Philip Jones QC		2017-06-26

Accounts

CHARITY REGISTRATION NUMBER: 1102414

THE HONOURABLE SOCIETY OF LINCOLN'S INN

THE DENNING FUND

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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CHARITY REGISTRATION NUMBER:	1102414
PRINCIPAL ADDRESS:	The Honourable Society of Lincoln's Inn Treasury Office Lincoln's Inn London WC2A 3TL
NAMES OF CHARITY TRUSTEES:	Mr A G Boyle KC (Chairman) Mr D H Day KC Mr J M Jarvis KC Mr P Jones KC
BANKERS:	C. Hoare & Co 37 Fleet Street London EC4P 4DQ
AUDITORS:	Haysmacintryre LLP 10 Queen Street Place London EC4R 1AG
INVESTMENT MANAGERS:	Legal & General Group Plc Legal & General Investment Management One Coleman Street London EC2R 5AA

THE HONOURABLE SOCIETY OF LINCOLN'S INN
THE DENNING FUND
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2025

The Trustees present their annual report and the audited financial statements for the year ended 31 December 2024. The financial statements have been prepared on the basis of the accounting policies set out on page 11 of the financial statements and comply with the charity's trust deed, applicable law and the requirements of the Statement of Recommended Practice - 'Accounting and Reporting by Charities' issued in October 2019.

The Trustees are responsible for the overall control and strategic direction of the charity. Trustees are appointed by The Honourable Society of Lincoln's Inn, in accordance with the governing document and are expected to act in the best interests of the charity and its beneficiaries.

OBJECTS, OBJECTIVES AND PRINCIPAL ACTIVITIES

The Denning Fund, previously registered as charity number 282340, and the Lord Jenkins Fund, an unregistered charity, were merged with effect from 9 December 2003 to form a new charity called The Denning Fund in accordance with a Charity Commission Scheme. The Charity Commission Scheme is now the merged charity's governing document under which the Trustees are empowered to associate awards, at their discretion, to any benefactor identified with either of the merging charities. The purposes of the charities have not changed. The merger was undertaken to improve administration processes, make cost savings and consolidate investments to offer the potential for higher investment returns.

The charity is a trust whose object is for general charitable purposes. The principal activity of the Trustees is to use the income generated and Fund capital to assist in the provision of the scholarships or other awards to promote or aid the legal education of members of Lincoln's Inn and in particular students or pupils who intend to become practising members of the Bar of England and Wales.

ACHIEVEMENTS AND PERFORMANCE

For the year ended 31 December 2025 Lincoln's Inn made 53 Denning Scholarship awards totalling £629k (2024: 61 totalling £785k).

The Denning Fund contributed £210k towards these (2024: £171k). This represented 33.4% of the total awards, 21.8% in the previous year. Investments this year have shown a gain of £911k (2024 gain of £740k).

The Inn offers scholarships to candidates of the requisite quality who are graduates in Law or in subjects other than Law and who have indicated that their intention is to practise at the Bar of England and Wales.

Awards are made to candidates on merit to assist them with their funding throughout their continuing professional education, bar vocational course and pupillage years because it is the Inn's view that these are the years when students need the most financial support.

Merit is assessed in terms of the candidate's intellectual qualities, which is of the highest importance at the modern Bar, together with qualities of personality and presentation also regarded as being of the greatest importance in anyone aiming at life as a barrister.

Merit is assessed by a consideration of all the material placed before the Inn by the candidate in his or her written application and references together, where a candidate is invited for interview, with consideration of the candidate by a panel of interviewers. Candidates whose written applications do not, upon careful consideration, disclose the requisite quality, will not be invited for interview. Lincoln's Inn advertised the qualities it is looking for on its website.

Once scholars have been selected their financial award is calculated on the basis of their individual means. The scholars' means are calculated on the basis of their assets, savings, debt, other sources of financial support and projected expenses for the duration of their course or period of training. The Scholarships Committee sets out the formulas to be applied - e.g., only taking into account savings above a certain level and capping monthly expenses - and reviews this regularly. All scholars' will be awarded a minimum of £1,000.

Lincoln's Inn does not discriminate unlawfully against any person on the grounds of that person's sex, colour, race nationality or ethnic or national origin, disability, sexual orientation, religion or belief, or age, or in any other way that is unlawful.

The Trustees of the Denning Fund believe that these application criteria do not create unreasonable restrictions on access by candidates to the scholarships available.

Investments are shown on the Balance Sheet at market value in accordance with charity accounting rules.

The Net Assets of the Fund increased by £925k from £8,535k to £9,460k, £751k increase in 2025.

GOING CONCERN ASSESMENT

After making appropriate enquiries, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

FUNDRAISING

Whilst we do not actively fundraise, we are fortunate to receive donations and bequests from time to time. We are grateful for the generosity of the donors.

GRANT MAKING POLICY

The Denning Fund donates towards the overall level of individual awards and grants made by Lincoln's Inn. Income is earned from investments in the form of dividends and interest is transferred as received from the investment manager to the Honourable Society of Lincoln's Inn. At the end of each financial year the Trustees assess the value of the total transfer of funds that has been made for the year and pay a balancing amount to the Inn as an annual adjustment based on set criteria. Having reviewed the criteria for this accounting period there is no additional amount due to the Inn.

In making a grant the Denning Fund Trustees expect the responsible Committee to supervise the spending of the monies granted. The Denning Fund Trustees are not themselves in a position to do so. Expenditure by Lincoln's Inn is controlled and managed by its various officers and monitored by the Finance, Education and Scholarship Committees. Lincoln's Inn pays the individual in question on approval from the relevant Committees and on production of properly approved applications for scholarships payments. Once a payment has been made by the Inn, the Inn requests part or all of the promised contribution from the fund. The value of contributions is never more than the total value of scholarships; Lincoln's Inn makes up any shortfall.

The Trustees agreed that the grant making policy and procedure achieves the objectives of the Fund.

RESERVES POLICY

The Trustees have reviewed the reserves of the Charity, which comprise of £696k unrestricted (£683k in 2024), £22k restricted (£20k in 2024) and £8,742k expendable endowment (£7,833k in 2024). The Trustees have identified that the end beneficiaries of the Charity are not in any way deprived from the benefit of the Charity's objectives.

The review encompassed the nature of the income streams and the policy adopted by the Trustees, which they consider to be prudent, to distribute the annual investment income of the Charity. The Trustees recognise that should the Inn become unable to fund its scholarships, the Trustees must hold sufficient reserves to ensure the interests of future beneficiaries. The Trustees consider the Charity's expendable endowment fund is suitable for this purpose. Grants are funded from free reserves and income during the year. The policies are reviewed on a regular basis.

The Trustees recognise that the reserves on the fund are high, as the total return approach is being applied. This approach assumes that anything above a 4% return over a three-year period will be disinvested and contributed towards Lincoln’s Inn scholarships. The aim is to ensure that the trust continues to support its beneficiaries for twenty years. Since this policy has been put in place, due to investment market performance, no disinvestment has been made.

RISK MANAGEMENT

The trustees have assessed the major risks to which the Trust is exposed and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

FUTURE DEVELOPMENTS

The Trustees of the Denning Fund have reviewed the overall structure and efficiency of the fund and consolidated the investments into one account managed by the Investment Committee and by the investment managers. The Trustees have reviewed the performance of the fund managers and will continue to do so at regular intervals.

INVESTMENT POWERS AND POLICY

In accordance with their powers under the Trust Deed, the Trustees have delegated the management of the portfolio and the investment powers to the Lincoln's Inn Investment Committee.

The Trustees have assessed the major risks to which the Trust is exposed and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

The Investment Committee meets with the fund managers twice a year and holds two additional meetings to consider the investment manager's report.

INVESTMENT PERFORMANCE

The funds are invested with Legal & General under passive management in pooled funds that track the market; while doing no better than the market, the fund has done no worse.

Legal & General levy charges consist of a flat per scheme charge, plus an ad-valorem charge and a management charge.

LEGAL & GENERAL'S INVESTMENT MANDATE

Legal & General manage the Scheme's assets on a passive basis in their pooled index funds. The distribution of the Scheme's assets is to be maintained in predetermined proportions. LGIM's purpose is to create a better future through responsible investing. Aligned to this purpose, ESG is a central underpinning to all of LGIM's activities and especially within strategic initiatives. LGIM has developed and publicly disclosed its policies for stewardship activities. Their policies are reviewed annually and updated where necessary to ensure they remain aligned with the various evolving regulations, best practice and client feedback.

Where possible, cashflows into or out of the fund will be used to maintain the asset distribution within the specified ranges. In addition, switches between asset classes will be implemented should any asset classes move outside their ranges.

FUNDS

The funds of the Charity comprise of:

i) unrestricted funds, which are expendable in the furtherance of the Fund's objectives.

ii) expendable endowment funds which were created by gifts a number of years ago. In accordance with the terms of the gift the capital fund is to be maintained unless it is required to be spent and the income is treated as unrestricted income. The capital of the fund can be expended at the Trustees' discretion.

iii) restricted funds arise from a historic donation to a fund called the Joan Denning Prize

In the opinion of the Trustees the Charity's assets are sufficient to meet its commitments.

TRUSTEES' TRAINING AND REMUNERATION

The fund was established by members or former members of the Honourable Society of Lincoln's Inn and as laid out in its objectives when vacancies arise in the body of Trustees the Council of Benchers of The Honourable Society of Lincoln's Inn hold the power to appoint replacements. The Trustees are otherwise autonomous. The intercompany account between the Inn and the Denning Fund at year end shows a balance of £28,074 (2024: £28,779) owed to the Inn. There were no other related party transactions.

New Trustees are offered appropriate induction and training procedures. Consideration is given to the skills required and all the appointed Trustees are experienced lawyers.

The Charity has no employees, and no Trustee received remuneration for their services.

TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practices (UK-GAAP).

Law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each year which gives a true and fair view of the Charity's financial activities during the year and of its financial position at the end of the year. In preparing accounts giving a true and fair view, the Trustees should follow best practice and:

i) select suitable accounting policies and apply them consistently.

ii) make judgements and estimates that are reasonable and prudent.

THE HONOURABLE SOCIETY OF LINCOLN'S INN
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FOR THE YEAR ENDED 31 DECEMBER 2025

iii) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts, and

iv) prepare the accounts on the going concern basis unless it is inappropriate to assume that the charity will continue in operation.

v) observe the methods and principles of the Charities SORP (FRS 102)

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity, and which enable them to ascertain the financial position of the charity and allow them to ensure that the accounts comply with applicable law. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of error, fraud and other irregularities.

The Trustees meet regularly to oversee the activities of the charity and to make decisions on its strategic direction. The Trustees are responsible for setting policies and monitoring the charity's financial position and performance.

All significant decisions are taken collectively by the Trustees, in accordance with the procedures set out in the governing document. Decisions are generally made by consensus or, where necessary, by majority vote, with a quorum present as required by the governing document.

Given the size of the charity, the Trustees do not operate formal sub-committees. All matters are considered by the full Board.

Approved by the Trustees on: 6 May 2026

and signed on their behalf by:

Alan Boyle

Mr Alan Boyle KC
Chairman of the Trustees

INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES OF THE HONOURABLE SOCIETY OF LINCOLN'S INN
THE DENNING FUND
FOR THE YEAR ENDED 31 DECEMBER 2025

OPINION

We have audited the financial statements of The Honourable Society of Lincoln's Inn Denning Fund for the year ended 31 December 2024 which comprise the Statement of Financial Activities, Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as of 31 December 2025 and of the Charity's net movement in funds for the year then ended.
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

BASIS FOR OPINION

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES OF THE HONOURABLE SOCIETY OF LINCOLN'S INN
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OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charity; or
- sufficient accounting records have not been kept; or
- the charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITES OF THE TRUSTEES FOR THE FINANCIAL STATEMENTS

As explained more fully in the trustees' responsibilities statement set out on page 6, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEESOF THE HONOURABLE SOCIETY OF LINCOLN'S INN (cont...)
THE DENNING FUND
FOR THE YEAR ENDED 31 DECEMBER 2025

AUDITOR'S RESPNSIBILITES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to management 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 regulation and fraud.

- Evaluating management's controls designed to prevent and detect irregularities.

- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions.

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.

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.

USE OF OUR REPORT

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's Trustees as a body for our audit work, for this report, or for the opinions we have formed.

HaysMac LLP

HaysMac LLP
Statutory Auditors
13/05/2026

10 Queen Street Place
London
EC4R 1AG

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

THE HONOURABLE SOCIETY OF LINCOLN'S INN
THE DENNING FUND
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Unrestricted Funds	Restricted Funds	Expendable Endowment Funds	2025	2024
		£	£	£	£	£
Income from:						
Donations and Legacies		12,712	-	-	12,712	2,386
Investment income - Fee rebates		-	-	-		-
Investment income		209,605	-	-	209,605	171,104
Interest		1,515	-	-	1,515	9,199
Total Income		223,832	-	-	223,832	182,689
Expenditure on:						
Management & Administration		600	-	-	600	420
Educational Awards	4	209,605	-	-	209,605	171,104
Total Expenditure:		210,205	-	-	210,205	171,524
Net Gain on Investments		-	1,928	908,756	910,684	751,100
NET MOVEMENT IN FUNDS		13,627	1,928	908,756	924,311	751.100
Fund balances brought forward on 1 January 2025		682,766	19,752	7,832,774	8,535,292	7,784,192
Fund balances carried forward on 31 December 2025		696,393	21,680	8,741,530	9,459,603	8,535,292

All the activities of the fund are continuing in both this year and the previous year.

The notes on pages 15 to 18 form part of these financial statements

THE HONOURABLE SOCIETY OF LINCOLN'S INN
THE DENNING FUND
BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 £	2024 £
FIXED ASSETS			
Investments	5	9,332,174	8,421,490
CURRENT ASSETS			
Debtors	6	10,283	9,275
Cash at Bank		145,340	133,426
		155,623	142,701
CURRENT LIABILITIES			
Sundry Creditors	7	(120)	(120)
Amounts due to Lincoln's Inn		(28,074)	(28,779)
NET CURRENT ASSETS		127,429	113,802
NET ASSESSTS		9,459,603	8,535,292
FUNDS	8		
Unrestricted		696,393	682,766
Restricted		21,680	19,752
Expendable Endowment		8,741,530	7,832,774
		9,459,603	8,535,292

Approved by the Trustees on: 6 May 2026

and signed on their behalf by:

Mr Alan Boyle KC
Chairman of the Trustees

The notes on pages 15 to 18 form part of these financial statements

THE HONOURABLE SOCIETY OF LINCOLN'S INN
THE DENNING FUND
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2025

1. **ACCOUNTING POLICIES**

a) **Accounting Convention**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) - (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

b) **Going Concern accounting policy**

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

c) **Income**

All income is recognised in the Statement of Financial Activities when the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either:

- The charity is aware that probate has been granted.
- Receipt of a legacy in whole or in part, is only considered probable when the amount can be measured reliably, and the charity has been notified of the executor's intention to make a distribution.
- The estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made.
- When a distribution is received from the estate.

Receipt of a legacy in whole or part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution.

d) **Expenditure**

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. The irrecoverable element of VAT is included with the item of expenditure to which it relates. Where costs cannot be directly attributable to particular activities, they have been allocated to activities on a basis consistent with use of the resources.

Charitable expenditure comprises expenditure donated to Lincoln's Inn toward the awards of the Denning Fund Scholarships.

e) **Debtors**

Debtors (including trade debtors and loans receivable) are measured on initial recognition at settlement amount after any trade discounts or amount advanced by the charity. Subsequently, they are measured at the cash or other consideration expected to be received.

f) **Creditors**

The charity has creditors which are measured at settlement amounts less any trade discounts.

g) **Cash at bank and in hand**

Cash at bank and in hand is recognised at the transaction value and subsequently measured at their settlement value.

h) **Liabilities and Provisions**

A liability is measured on recognition at its historical cost and then subsequently measured at the best estimate of the amount required to settle the obligation at the reporting date.

i) **Financial Instruments**

The charity accounts for basic financial instruments on initial recognition as per paragraph 10.7 FRS102 SORP. Subsequent measurement is as per paragraphs 11.17 to 11.19, FRS102 SORP.

j) **Funds**

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the Trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are solely used for particular areas of the Trust's work of for a specific project. Donations required to be retained as capital in accordance with the donor's wishes are accounted for when probable as "endowments" - permanent or expendable according to the nature of the restriction.

The funds of the charity comprise of:

i) the expendable endowment fund which was created by gifts donated to the charity for general education purposes a number of years ago and is expendable at the discretion of the Trustees.

ii) restricted funds, consisting of donations and legacies received which the donor has earmarked for a specific purpose.

iii) unrestricted funds which are expendable in the furtherance of the Fund's objectives.

k) **Investments**
Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

l) **Taxation**
The Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

m) **General Information**
The Charity is unincorporated. Its registered address is shown on page 3. The charitable objectives are detailed within the Trustees' Report under the heading Objects, Objectives and Principle Activities.

2. **GOVERNANCE**
The Inn meets the cost of remuneration, for advice and services by the auditors and other professional advisors.

3. **TRANSACTIONS WITH TRUSTEES**
No Trustee, or person related or connected to them has received any remuneration or reimbursement of expenses from the Fund during the current or previous year.

THE HONOURABLE SOCIETY OF LINCOLN'S INN
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NOTES TO THE ACCOUNTS (cont...)
FOR THE YEAR ENDED 31 DECEMBER 2025

4. EDUCATIONAL AWARDS

The Trust paid over dividend income on an as received basis to the Honourable Society of Lincoln's Inn of £210k (2024 £171k), which broadly coincides with the payment dates by Lincoln's Inn to pupil barristers and students of scholarships and awards made.

5. INVESTMENTS

	2025 £	2024 £
Market Value 1 January	8,421,490	7,681,555
Additions at cost	-	2,525,508
Proceeds of disposals	-	(2,525,508)
Gains/(Loss) on investments	910,684	739,935
Market Value 31 December	9,332,174	8,421,490
Historical cost 31 December	3,809,374	3,809,374

Indirect transaction costs are incurred through the bid-offer spread on investments within pooled investment vehicles. The amount of indirect costs is not separately provided to the scheme.

Significant investment holdings at market value on 31 December

	2025 £	2025 %	2024 £	2024 %
L&G International Index Trust	4,149,874	44.47	3,688,194	43.80
L&G All Stocks Gilt Index Trust	388,945	4.17	386,346	4.59
L&G All Stocks Index Linked Gilt Index Trust	387,822	4.16	383,667	4.56
L&G Short Dated Sterling Corporate Bond Index Fund	1,678,481	17.99	1,641,978	19.50
L&G Emerging Markets	1,247,508	13.37	1,084,641	12.88
L&G UK Index Trust	1,479,544	15.84	1,236,665	14.67
TOTAL	9,332,174	100	8,421,490	100

6. DEBTORS

	2025 £	2024 £
Accrued Income	10,283	9,275

THE HONOURABLE SOCIETY OF LINCOLN'S INN
THE DENNING FUND
NOTES TO THE ACCOUNTS (cont...)
FOR THE YEAR ENDED 31 DECEMBER 2025

7. CREDITORS

	2025	2024
	£	£
Sundry Creditors	120	120

8. SPLIT OF NET ASSETS BETWEEN FUNDS

2025	Unrestricted Funds	Restricted Funds	Expendable Endowment Funds	2025
	£	£	£	£
Investments	568,964	221,680	8,741,530	9,332,174
Net current assets	127,429	-	-	127,429
	696,393	21,680	8,741,530	9,459,603

2024	Unrestricted Funds	Restricted Funds	Expendable Endowment Funds	2024
	£	£	£	£
Investments	568,964	19,752	7,832,774	8,421,490
Net current assets	113,802	-	-	113,802
	682,766	19,752	7,832,774	8,535,292

9. RELATED PARTY TRANSACTIONS

The Honourable Society of Lincoln's Inn is one of the four Inns of Court, it is an ancient unincorporated body of lawyers which for five centuries and more have had the power to call to the Bar those of their members who have duly qualified for the rank of degree of Barrister-at-Law.

Accounts

CHARITY REGISTRATION NUMBER: 1102414

THE HONOURABLE SOCIETY OF LINCOLN'S INN

THE DENNING FUND

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

THE HONOURABLE SOCIETY OF LINCOLN'S INN
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FOR THE YEAR ENDED 31 DECEMBER 2024

CHARITY REGISTRATION NUMBER:	1102414
PRINCIPAL ADDRESS:	The Honourable Society of Lincoln's Inn Treasury Office Lincoln's Inn London WC2A 3TL
NAMES OF CHARITY TRUSTEES:	Mr A G Boyle KC (Chairman) Mr D H Day KC Mr J M Jarvis KC Mr P Jones KC
BANKERS:	C. Hoare & Co 37 Fleet Street London EC4P 4DQ
AUDITORS:	HaysMac LLP 10 Queen Street Place London EC4R 1AG
INVESTMENT MANAGERS:	Legal & General Group Plc Legal & General Investment Management One Coleman Street London EC2R 5AA

THE HONOURABLE SOCIETY OF LINCOLN'S INN
THE DENNING FUND
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2024

The Trustees present their annual report and the audited financial statements for the year ended 31 December 2024. The financial statements have been prepared on the basis of the accounting policies set out on page 11 of the financial statements and comply with the charity's trust deed, applicable law and the requirements of the Statement of Recommended Practice - 'Accounting and Reporting by Charities' issued in October 2019.

OBJECTS, OBJECTIVES AND PRINCIPAL ACTIVITIES

The Denning Fund, previously registered as charity number 282340, and the Lord Jenkins Fund, an unregistered charity, were merged with effect from 9 December 2003 to form a new charity called The Denning Fund in accordance with a Charity Commission Scheme. The Charity Commission Scheme is now the merged charity's governing document under which the Trustees are empowered to associate awards, at their discretion, to any benefactor identified with either of the merging charities. The purposes of the charities have not changed. The merger was undertaken to improve administration processes, make cost savings and consolidate investments to offer the potential for higher investment returns.

The charity is a trust whose object is for general charitable purposes. The principal activity of the Trustees is to use the income generated and Fund capital to assist in the provision of the scholarships or other awards to promote or aid the legal education of members of Lincoln's Inn and in particular students or pupils who intend to become practising members of the Bar of England and Wales.

ACHIEVEMENTS AND PERFORMANCE

For the year ended 31 December 2024 Lincoln's Inn made 61 Denning Scholarship awards totalling £785k (2023: 52 totalling £703k).

The Denning Fund contributed £171k towards these (2023: £152k). This represented 21.8% of the total awards, 22% in the previous year. Investments this year have shown a gain of £740k (2023 gain of £307k).

The Inn offers scholarships to candidates of the requisite quality who are graduates in Law or in subjects other than Law and who have indicated that their intention is to practise at the Bar of England and Wales.

Awards are made to candidates on merit to assist them with their funding throughout their continuing professional education, bar vocational course and pupillage years because it is the Inn's view that these are the years when students need the most financial support.

Merit is assessed in terms of the candidate's intellectual qualities, which is of the highest importance at the modern Bar, together with qualities of personality and presentation also regarded as being of the greatest importance in anyone aiming at life as a barrister.

Merit is assessed by a consideration of all the material placed before the Inn by the candidate in his or her written application and references together, where a candidate is invited for interview, with consideration of the candidate by a panel of interviewers. Candidates whose written applications do not, upon careful consideration, disclose the requisite quality, will not be invited for interview. Lincoln's Inn advertised the qualities it is looking for on its website.

Once scholars have been selected their financial award is calculated on the basis of their individual means. The scholars' means are calculated on the basis of their assets, savings, debt, other sources of financial support and projected expenses for the duration of their course or period of training. The Scholarships Committee sets out the formulas to be applied - e.g., only taking into account savings above a certain level and capping monthly expenses - and reviews this regularly. All scholars' will be awarded a minimum of £1,000.

Lincoln's Inn does not discriminate unlawfully against any person on the grounds of that person's sex, colour, race nationality or ethnic or national origin, disability, sexual orientation, religion or belief, or age, or in any other way that is unlawful.

The Trustees of the Denning Fund believe that these application criteria do not create unreasonable restrictions on access by candidates to the scholarships available.

Investments are shown on the Balance Sheet at market value in accordance with charity accounting rules.

The Net Assets of the Fund increased by £751k from £7,784k to £8,535k.

FUNDRAISING

Whilst we do not actively fundraise, we are fortunate to receive donations and bequests from time to time. We are grateful for the generosity of the donors.

GRANT MAKING POLICY

The Denning Fund donates towards the overall level of individual awards and grants made by Lincoln's Inn. Income is earned from investments in the form of dividends and interest is transferred as received from the investment manager to the Honourable Society of Lincoln's Inn. At the end of each financial year the Trustees assess the value of the total transfer of funds that has been made for the year and pay a balancing amount to the Inn as an annual adjustment based on set criteria. Having reviewed the criteria for this accounting period there is no additional amount due to the Inn.

In making a grant the Denning Fund Trustees expect the responsible Committee to supervise the spending of the monies granted. The Denning Fund Trustees are not themselves in a position to do so. Expenditure by Lincoln's Inn is controlled and managed by its various officers and monitored by the Finance, Education and Scholarship Committees. Lincoln's Inn pays the individual in question on approval from the relevant Committees and on production of properly approved applications for scholarships payments. Once a payment has been made by the Inn, the Inn requests part or all of the promised contribution from the fund. The value of contributions is never more than the total value of scholarships; Lincoln's Inn makes up any shortfall.

The Trustees agreed that the grant making policy and procedure achieves the objectives of the Fund.

RESERVES POLICY

The Trustees have reviewed the reserves of the Charity, which comprise of £682k unrestricted, £20k restricted and £7,832k expendable endowment.

This resulted in a change in approach where the Trustees felt it was no longer prudent to distribute only the annual investment income of the Charity. The trustees recognised that they have significant reserves and agreed to approach spending down their reserves in a way that aligns with a total return investment strategy and still ensures the end beneficiaries are not in any way deprived from the benefit of the Charity's objectives. The investment strategy adopted is detailed below. The Trustees consider the Charity's expendable endowment fund is suitable for this purpose. The policies are reviewed on a regular basis.

FUTURE DEVELOPMENTS

The Trustees of the Denning Fund have reviewed the overall structure and efficiency of the fund and consolidated the investments into one account managed by the Investment Committee and by the investment managers. The Trustees have reviewed the performance of the fund managers and will continue to do so at regular intervals.

INVESTMENT POWERS AND POLICY

In accordance with their powers under the Trust Deed, the Trustees have delegated the management of the portfolio and the investment powers to the Lincoln's Inn Investment Committee.

The Investment Committee meets with the fund managers twice a year and holds two additional meetings to consider the investment manager's report.

INVESTMENT PERFORMANCE

The funds are invested with Legal & General under passive management in pooled funds that track the market; while doing no better than the market, the fund has done no worse.

Legal & General levy charges consist of a flat per scheme charge, plus an ad-valorem charge and a management charge.

LEGAL & GENERAL'S INVESTMENT MANDATE

Legal & General manage the Scheme's assets on a passive basis in their pooled index funds. The distribution of the Scheme's assets is to be maintained in predetermined proportions. LGIM's purpose is to create a better future through responsible investing. Aligned to this purpose, ESG is a central underpinning to all of LGIM's activities and especially within strategic initiatives. LGIM has developed and publicly disclosed its policies for stewardship activities. Their policies are reviewed annually and updated where necessary to ensure they remain aligned with the various evolving regulations, best practice and client feedback.

Where possible, cashflows into or out of the fund will be used to maintain the asset distribution within the specified ranges. In addition, switches between asset classes will be implemented should any asset classes move outside their ranges.

FUNDS

The funds of the Charity comprise of:

i) unrestricted funds, which are expendable in the furtherance of the Fund's objectives.

ii) expendable endowment funds which were created by gifts a number of years ago. In accordance with the terms of the gift the capital fund is to be maintained unless it is required to be spent and the income is treated as unrestricted income. The capital of the fund can be expended at the Trustees' discretion.

iii) restricted funds arise from a historic donation to a fund called the Joan Denning Prize

In the opinion of the Trustees the Charity's assets are sufficient to meet its commitments.

TRUSTEES' TRAINING AND REMUNERATION

New Trustees are offered appropriate induction and training procedures. All the appointed Trustees are experienced lawyers.

The Charity has no employees, and no Trustee received remuneration for their services.

THE HONOURABLE SOCIETY OF LINCOLN'S INN
THE DENNING FUND
REPORT OF THE TRUSTEES (cont...)
FOR THE YEAR ENDED 31 DECEMBER 2024

TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practices (UK-GAAP).

Law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each year which gives a true and fair view of the Charity's financial activities during the year and of its financial position at the end of the year. In preparing accounts giving a true and fair view, the Trustees should follow best practice and:

i) select suitable accounting policies and apply them consistently.

ii) make judgements and estimates that are reasonable and prudent.

iii) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts, and

iv) prepare the accounts on the going concern basis unless it is inappropriate to assume that the charity will continue in operation.

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity, and which enable them to ascertain the financial position of the charity and allow them to ensure that the accounts comply with applicable law. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of error, fraud and other irregularities. During the year the Trustees appointed new auditors Haysmacintyre LLP.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included in the Charity Commission's website and receive no remuneration.

The Trustees have complied with the duty in s.17 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the Public Benefit requirement under that Act.

On 18 November 2024 the company's auditor changed its name from haysmacintyre LLP to HaysMac LLP.

Approved by the Trustees on:

and signed on their behalf by:

Mr Alan Boyle KC
Chairman of the Trustees

31 July 2025

INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES OF THE HONOURABLE SOCIETY OF LINCOLN'S INN
THE DENNING FUND
FOR THE YEAR ENDED 31 DECEMBER 2024

OPINION

We have audited the financial statements of The Honourable Society of Lincoln's Inn Denning Fund for the year ended 31 December 2024 which comprise the Statement of Financial Activities, Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as of 31 December 2024 and of the Charity's net movement in funds for the year then ended.
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

BASIS FOR OPINION

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES OF THE HONOURABLE SOCIETY OF LINCOLN'S INN
THE DENNING FUND
FOR THE YEAR ENDED 31 DECEMBER 2024

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charity; or
- sufficient accounting records have not been kept; or
- the charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITES OF THE TRUSTEES FOR THE FINANCIAL STATEMENTS

As explained more fully in the trustees' responsibilities statement set out on page 6, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPNSIBILITES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to management 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 regulation and fraud.
- Evaluating management's controls designed to prevent and detect irregularities.
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions.

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.

INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEESOF THE HONOURABLE SOCIETY OF LINCOLN'S INN (cont...)
THE DENNING FUND
FOR THE YEAR ENDED 31 DECEMBER 2024

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.

USE OF OUR REPORT

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's Trustees as a body for our audit work, for this report, or for the opinions we have formed.

HaysMac LLP

HaysMac LLP
Statutory Auditors
Date: 04/08/2025

10 Queen Street Place
London
EC4R 1AG

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

THE HONOURABLE SOCIETY OF LINCOLN'S INN
THE DENNING FUND
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Unrestricted Funds	Restricted Funds	Expendable Endowment Funds	2024	2023
		£	£	£	£	£
Income from:						
Donations and Legacies		2.386	-	-	2,386	8,553
Investment income - Fee rebates		-	-	-		134
Investment income		171,104	-	-	171,104	151,527
Interest		9,199	-	-	9,199	790
Total Income		182,689	-	-	182,689	161,004
Expenditure on:						
Management & Administration		(420)	-	-	(420)	(420)
Educational Awards	4	(171,104)	-	-	(171,104)	(151,527)
Total Expenditure:		(171,524)	-	-	(171,524)	(151,947)
Net Gain/(loss) on investments			1,595	738,340	739,935	306,502
Net income/(expenditure)		11,165	1,595	738,340	751,100	315,559
NET MOVEMENT IN FUNDS		11,165	1,595	738,340	751,100	315,559
Fund balances brought forward on 1 January 2024		671,601	18,157	7,094,434	7,784,192	7,468,633
Fund balances carried forward on 31 December 2024		682,766	19,752	7,832,774	8,535,292	7,784,192

All the activities of the fund are continuing in both this year and the previous year.

All comparative movements relate to unrestricted funds apart from investment gain which was split £697 to restricted and £305,805 to expendable endowment.

The notes on pages 15 to 18 form part of these financial statements

THE HONOURABLE SOCIETY OF LINCOLN'S INN
THE DENNING FUND
BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £	2023 £
FIXED ASSETS			
Investments	5	8,421,490	7,681,555
CURRENT ASSETS			
Debtors	6	9,275	1,407
Cash at Bank		133,426	131,080
		142,701	132,487
CURRENT LIABILITIES			
Sundry Creditors	7	(120)	(60)
Amounts due to Lincoln's Inn		(28,779)	(29,790)
NET CURRENT ASSETS		113,802	102,637
NET ASSESTS		8,535,292	7,784,192
FUNDS	8		
Unrestricted		682,766	671,601
Restricted		19,752	18,157
Expendable Endowment		7,832,774	7,094,434
		8,535,292	7,784,192

Approved by the Trustees on:

and signed on their behalf by:

Mr Alan Boyle KC
Chairman of the Trustees
31 July 2025

The notes on pages 15 to 18 form part of these financial statements

THE HONOURABLE SOCIETY OF LINCOLN'S INN
THE DENNING FUND
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2024

1. **ACCOUNTING POLICIES**

a) **Accounting Convention**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) - (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

b) **Going Concern accounting policy**

The Trustees are confident that the Fund will have sufficient resources to meet its liabilities for at least 12 months from the date of signing this report and as such the accounts have been prepared on a going concern basis.

c) **Income**

All incoming resources are recognised in the Statement of Financial Activities when the charity has entitlement to the funds, it is probable that the income will be received, and the amount can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either:

- The charity is aware that probate has been granted.
- Receipt of a legacy in whole or in part, is only considered probable when the amount can be measured reliably, and the charity has been notified of the executor's intention to make a distribution.
- The estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made.
- When a distribution is received from the estate.

Receipt of a legacy in whole or part, is only considered probable when the amount can be measured reliably, and the charity has been notified of the executor's intention to make a distribution.

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the Trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are solely used for particular areas of the Trust's work of for a specific project. Donations required to be retained as capital in accordance with the donor's wishes are accounted for when probable as "endowments" - permanent or expendable according to the nature of the restriction.

d) **Expenditure**

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. The irrecoverable element of VAT is included with the item of expenditure to which it relates. Where costs cannot be directly attributable to particular activities, they have been allocated to activities on a basis consistent with use of the resources.

Charitable expenditure comprises expenditure donated to Lincoln's Inn toward the awards of the Denning Fund Scholarships.

e) **Funds**

The funds of the charity comprise of:

i) the expendable endowment fund which was created by gifts donated to the charity for general education purposes a number of years ago and is expendable at the discretion of the Trustees.

ii) restricted funds, consisting of donations and legacies received which the donor has earmarked for a specific purpose.

iii) unrestricted funds which are expendable in the furtherance of the Fund's objectives.

f) **Investments**

Investments are stated at mid-market value at the balance sheet date.

2. **GOVERNANCE**

The Inn meets the cost of remuneration, for advice and services by the auditors and other professional advisors.

3. **TRANSACTIONS WITH TRUSTEES**

No Trustee, or person related or connected to them has received any remuneration or reimbursement of expenses from the Fund during the current or previous year.

4. **EDUCATIONAL AWARDS**

The Trust paid over dividend income on an as received basis to the Honourable Society of Lincoln's Inn of £152k (2023 £252k), which broadly coincides with the payment dates by Lincoln's Inn to pupil barristers and students of scholarships and awards made.

5. INVESTMENTS

	2024 £	2023 £
Market Value 1 January	7,681,555	7,373,628
Additions at cost	2,525,508	2,980,389
Proceeds of disposals	(2,525,508)	(2,978,964)
Gains/(Loss) on investments	739,935	306,502
Market Value 31 December	8,421,490	7,681,555
Historical cost 31 December	3,809,374	3,913,857

Indirect transaction costs are incurred through the bid-offer spread on investments within pooled investment vehicles. The amount of indirect costs is not separately provided to the scheme.

Significant investment holdings at market value on 31 December

	2024 £	2024 %	2023 £	2023 %
L&G International Index Trust	3,688,194	43.80	3,467,705	45.26
L&G All Stocks Gilt Index Trust	386,346	4.59	-	-
L&G All Stocks Index Linked Gilt Index Trust	383,667	4.56	-	-
L&G Short Dated Sterling Corporate Bond Index Fund	1,641,978	19.50	-	-
L&G Fixed Interest Trust	-	-	1,165,484	15.17
L&G Emerging Markets	1,084,641	12.88	980,772	12.77
L&G UK Index Trust	1,236,665	14.68	-	-
Ruffers absolute return H acc	-	-	2,058,593	26.8
TOTAL	8,421,490	100	7,681,554	100

6. DEBTORS

	2024 £	2023 £
Accrued Income	9,275	1,407

7. CREDITORS

	2024 £	2023 £
Sundry Creditors	120	60

THE HONOURABLE SOCIETY OF LINCOLN'S INN
THE DENNING FUND
NOTES TO THE ACCOUNTS (cont...)
FOR THE YEAR ENDED 31 DECEMBER 2024

8. SPLIT OF NET ASSETS BETWEEN FUNDS

2024	Unrestricted Funds	Restricted Funds	Expendable Endowment Funds	2024
	£	£	£	£
Investments	568,964	19,752	7,832,774	8,421,490
Net current assets	113,802	-	-	
	682,766	19,752	7,832,774	8,535,292

2023	Unrestricted Funds	Restricted Funds	Expendable Endowment Funds	2023
	£	£	£	£
Investments	568,964	18,157	7,094,434	7,681,555
Net current assets	102,637	-	-	102,637
	671,601	18,157	7,094,434	7,784,192

9. RELATED PARTY TRANSACTIONS

The Honourable Society of Lincoln's Inn is one of the four Inns of Court, it is an ancient unincorporated body of lawyers which for five centuries and more have had the power to call to the Bar those of their members who have duly qualified for the rank of degree of Barrister-at-Law.

The fund was established by members or former members of The Honourable Society of Lincoln's Inn and as laid out in its objectives when vacancies arise in the body of Trustees the Council of Benchers of The Honourable Society of Lincoln's Inn hold the power to appoint replacements. The Trustees are otherwise autonomous. The intercompany account between the Inn and the Denning at year end shows a balance of £28,779 (2023: £29,790) owed to the Inn. There were no other related party transactions.

THE DENNING FUND

England & Wales - Charity number 1102414

Accounts

CHARITY REGISTRATION NUMBER: 1102414

THE HONOURABLE SOCIETY OF LINCOLN'S INN

THE DENNING FUND

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

THE HONOURABLE SOCIETY OF LINCOLN'S INN
THE DENNING FUND
FOR THE YEAR ENDED 31 DECEMBER 2023

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THE HONOURABLE SOCIETY OF LINCOLN'S INN
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FOR THE YEAR ENDED 31 DECEMBER 2023

CHARITY REGISTRATION NUMBER:	1102414
PRINCIPAL ADDRESS:	The Honourable Society of Lincoln's Inn Treasury Office Lincoln's Inn London WC2A 3TL
NAMES OF CHARITY TRUSTEES:	Mr A G Boyle KC (Chairman) Mr D H Day KC Mr J M Jarvis KC Mr P Jones KC
BANKERS:	C. Hoare & Co 37 Fleet Street London EC4P 4DQ
AUDITORS:	Haysmacintryre LLP 10 Queen Street Place London EC4R 1AG
INVESTMENT MANAGERS:	Legal & General Group Plc Legal & General Investment Management One Coleman Street London EC2R 5AA

THE HONOURABLE SOCIETY OF LINCOLN'S INN
THE DENNING FUND
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees present their annual report and the audited financial statements for the year ended 31 December 2023. The financial statements have been prepared on the basis of the accounting policies set out on page 11 of the financial statements and comply with the charity's trust deed, applicable law and the requirements of the Statement of Recommended Practice - 'Accounting and Reporting by Charities' issued in October 2019.

OBJECTS, OBJECTIVES AND PRINCIPAL ACTIVITIES

The Denning Fund, previously registered as charity number 282340, and the Lord Jenkins Fund, an unregistered charity, were merged with effect from 9 December 2003 to form a new charity called The Denning Fund in accordance with a Charity Commission Scheme. The Charity Commission Scheme is now the merged charity's governing document under which the Trustees are empowered to associate awards, at their discretion, to any benefactor identified with either of the merging charities. The purposes of the charities have not changed. The merger was undertaken to improve administration processes, make cost savings and consolidate investments to offer the potential for higher investment returns.

The charity is a trust whose object is for general charitable purposes. The principal activity of the Trustees is to use the income generated and Fund capital to assist in the provision of the scholarships or other awards to promote or aid the legal education of members of Lincoln's Inn and in particular students or pupils who intend to become practising members of the Bar of England and Wales.

ACHIEVEMENTS AND PERFORMANCE

For the year ended 31 December 2023 Lincoln's Inn made 52 Denning Scholarship awards totalling £703k (2022: 62 totalling £839k).

The Denning Fund contributed £152k towards these (2022: £169k). This represented 22% of the total awards, 20% in the previous year. Investments this year have shown a gain of £307k (2022 loss of £543k).

The Inn offers scholarships to candidates of the requisite quality who are graduates in Law or in subjects other than Law and who have indicated that their intention is to practise at the Bar of England and Wales.

Awards are made to candidates on merit to assist them with their funding throughout their continuing professional education, bar vocational course and pupillage years because it is the Inn's view that these are the years when students need the most financial support.

Merit is assessed in terms of the candidate's intellectual qualities, which is of the highest importance at the modern Bar, together with qualities of personality and presentation also regarded as being of the greatest importance in anyone aiming at life as a barrister.

Merit is assessed by a consideration of all the material placed before the Inn by the candidate in his or her written application and references together, where a candidate is invited for interview, with consideration of the candidate by a panel of interviewers. Candidates whose written applications do not, upon careful consideration, disclose the requisite quality, will not be invited for interview. Lincoln's Inn advertised the qualities it is looking for on its website.

Once scholars have been selected their financial award is calculated on the basis of their individual means. The scholars' means are calculated on the basis of their assets, savings, debt, other sources of financial support and projected expenses for the duration of their course or period of training. The Scholarships Committee sets out the formulas to be applied - e.g., only taking into account savings above a certain level and capping monthly expenses - and reviews this regularly. All scholars' will be awarded a minimum of £1,000.

Lincoln's Inn does not discriminate unlawfully against any person on the grounds of that person's sex, colour, race nationality or ethnic or national origin, disability, sexual orientation, religion or belief, or age, or in any other way that is unlawful.

The Trustees of the Denning Fund believe that these application criteria do not create unreasonable restrictions on access by candidates to the scholarships available.

Investments are shown on the Balance Sheet at market value in accordance with charity accounting rules.

The Net Assets of the Fund increased by £316k from £7,469k to £7,784k.

FUNDRAISING

Whilst we do not actively fundraise, we are fortunate to receive donations and bequests from time to time. We are grateful for the generosity of the donors.

GRANT MAKING POLICY

The Denning Fund donates towards the overall level of individual awards and grants made by Lincoln's Inn. Income is earned from investments in the form of dividends and interest is transferred as received from the investment manager to the Honourable Society of Lincoln's Inn. At the end of each financial year the Trustees assess the value of the total transfer of funds that has been made for the year and pay a balancing amount to the Inn as an annual adjustment based on set criteria. Having reviewed the criteria for this accounting period there is no additional amount due to the Inn.

In making a grant the Denning Fund Trustees expect the responsible Committee to supervise the spending of the monies granted. The Denning Fund Trustees are not themselves in a position to do so. Expenditure by Lincoln's Inn is controlled and managed by its various officers and monitored by the Finance, Education and Scholarship Committees. Lincoln's Inn pays the individual in question on approval from the relevant Committees and on production of properly approved applications for scholarships payments. Once a payment has been made by the Inn, the Inn requests part or all of the promised contribution from the fund. The value of contributions is never more than the total value of scholarships; Lincoln's Inn makes up any shortfall.

The Trustees agreed that the grant making policy and procedure achieves the objectives of the Fund.

RESERVES POLICY

The Trustees have reviewed the reserves of the Charity, which comprise of £672k unrestricted, £18k restricted and £7,094k expendable endowment.

The review encompassed the nature of the income streams and the policy adopted by the Trustees. This resulted in a change in approach where the Trustees felt it was no longer prudent to distribute only the annual investment income of the Charity. The trustees recognised that they have significant reserves and agreed to approach spending down these reserves in a way that aligns with a total return investment strategy and still ensures the end beneficiaries are not in any way deprived from the benefit of the Charity's objectives. As the Charity does not hold permanent endowment funds the Trustees do not need to adopt the rules set out by the Charity Commission. The investment strategy adopted is detailed below.

INVESTMENT POWERS AND POLICY

During the year the trustees agreed to adopt an approach similar to total return investment management. The Trustees agreed to operate a disinvestment level of 4% pa, including income distribution, based on a portfolio return of 7% p.a. and long-term CPI of 3%. The Trustees agreed to apply the disinvestment criteria on a rolling historic three-year basis.

In accordance with their powers under the Trust Deed, the Trustees have delegated the management of the portfolio and the investment powers to the Lincoln's Inn Investment Committee.

The Trustees with assistance from the Inn's investment committee and its advisors have reviewed the performance of the fund managers and will continue to do so at regular intervals.

The Investment Committee meets with the fund managers annually and holds three additional meetings to consider the investment manager's report. Advice is also regularly received from the Inn's investment consultants.

INVESTMENT PERFORMANCE

Having reviewed the historic three-year period, the trustees have agreed that no further disinvestment of capital is required in this year. The return on the investments was 3.1% and after taking account of inflation (measured by CPI) was 0.2%.

The investment portfolio structure was reviewed during the year and changes made to the allocation of funds held by Legal & General.

The funds are invested 73% with Legal & General and 27% with Ruffers. The Legal & General element of the portfolio is under passive management in pooled funds that track the market; while doing no better than the market, the fund has done no worse.

Legal & General levy charges consist of a flat per scheme charge, plus an ad-valorem charge and a management charge.

The Ruffers element of the portfolio is under active management in a pooled diversified growth fund. Ruffers charge a fee of 1.11% of the portfolio value.

LEGAL & GENERAL'S INVESTMENT MANDATE

Legal & General (L&G) manage the Fund's assets on a passive basis in their pooled index funds. The distribution of the Fund's assets is to be maintained in predetermined proportions. L&G's objective is to provide growth by tracking the performance of the markets reflected in the pooled funds selected by the Trustees.

L&G's purpose is to create a better future through responsible investing. Aligned to this purpose, ESG is a central underpinning to all of L&G's activities and especially within strategic initiatives. L&G has developed and publicly disclosed its policies for stewardship activities. Their policies are reviewed annually and updated where necessary to ensure they remain aligned with the various evolving regulations, best practice and client feedback.

Where possible, cashflows into or out of the fund will be used to maintain the asset distribution within the specified ranges. In addition, switches between asset classes will be implemented should any asset classes move outside their ranges.

RUFFERS INVESTMENT MANDATE

The Trustees have decided to invest in Ruffers Absolute Return Fund, a diversified growth fund. The objective of the fund its not to lose money in any rolling 12 months period and to grow funds at a rate of 1% per quarter over what would be achieved by depositing them in cash.

FUNDS

The funds of the Charity comprise of:

i) unrestricted funds, which are expendable in the furtherance of the Fund's objectives.

ii) expendable endowment funds which were created by gifts a number of years ago. In accordance with the terms of the gift the capital fund is to be maintained unless it is required to be spent and the income is treated as unrestricted income. The capital of the fund can be expended at the Trustees' discretion.

iii) restricted funds arise from a historic donation to a fund called the Joan Denning Prize.

In the opinion of the Trustees the Charity's assets are sufficient to meet its commitments.

TRUSTEES' TRAINING AND REMUNERATION

New Trustees are offered appropriate induction and training procedures. All the appointed Trustees are experienced lawyers.

The Charity has no employees and no Trustee received remuneration for their services.

TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practices (UK-GAAP).

Law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each year which gives a true and fair view of the Charity's financial activities during the year and of its financial position at the end of the year. In preparing accounts giving a true and fair view, the Trustees should follow best practice and:

i) select suitable accounting policies and apply them consistently.

ii) make judgements and estimates that are reasonable and prudent.

iii) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts, and

iv) prepare the accounts on the going concern basis unless it is inappropriate to assume that the charity will continue in operation.

THE HONOURABLE SOCIETY OF LINCOLN'S INN
THE DENNING FUND
REPORT OF THE TRUSTEES (cont...)
FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity, and which enable them to ascertain the financial position of the charity and allow them to ensure that the accounts comply with applicable law. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of error, fraud and other irregularities. During the year the Trustees appointed new auditors Haysmacintyre LLP.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included in the Charity Commission's website and receive no remuneration.

The Trustees have complied with the duty in s.17 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the Public Benefit requirement under that Act.

Approved by the Trustees on: 30/9/2024

and signed on their behalf by:

1/10/2024

Mr Alan Boyle KC
Chairman of the Trustees

INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES OF THE HONOURABLE SOCIETY OF LINCOLN'S INN
THE DENNING FUND
FOR THE YEAR ENDED 31 DECEMBER 2023

OPINION

We have audited the financial statements of The Honourable Society of Lincoln's Inn Denning Fund for the year ended 31 December 2023 which comprise the Statement of Financial Activities, Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as of 31 December 2023 and of the Charity's net movement in funds for the year then ended.
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

BASIS FOR OPINION

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES OF THE HONOURABLE SOCIETY OF LINCOLN'S INN
THE DENNING FUND
FOR THE YEAR ENDED 31 DECEMBER 2023

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charity; or
- sufficient accounting records have not been kept; or
- the charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITES OF THE TRUSTEES FOR THE FINANCIAL STATEMENTS

As explained more fully in the trustees' responsibilities statement set out on page 6, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEESOF THE HONOURABLE SOCIETY OF LINCOLN'S INN (cont...)
THE DENNING FUND
FOR THE YEAR ENDED 31 DECEMBER 2023

AUDITOR'S RESPNSIBILITES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to management 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 regulation and fraud.

- Evaluating management's controls designed to prevent and detect irregularities.

- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions.

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.

INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEESOF THE HONOURABLE SOCIETY OF LINCOLN'S INN (cont...)
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FOR THE YEAR ENDED 31 DECEMBER 2023

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.

USE OF OUR REPORT

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's Trustees as a body for our audit work, for this report, or for the opinions we have formed.

Haysmacintyre LLP 28/10/2024

Haysmacintrye LLP
Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

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

THE HONOURABLE SOCIETY OF LINCOLN'S INN
THE DENNING FUND
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Unrestricted Funds	Restricted Funds	Expendable Endowment Funds	2023	2022
		£	£	£	£	£
Income from:						
Donations and Legacies		8,553	-	-	8,553	1,673
Investment income - Fee rebates		134	-	-	134	3,451
Investment income		151,527	-	-	151,527	162,729
Interest		790	-	-	790	203
Total Income		161,004	-	-	161,004	168,506
Expenditure on:						
Management & Administration		(420)	-	-	(420)	(420)
Educational Awards	4	(151,527)	-	-	(151,527)	(169,173)
Total Expenditure:		(151,947)	-	-	(151,947)	(169,593)
Net Gain/(loss) on investments			697	305,805	306,502	(543,246)
Net income/(expenditure)		9,057	697	305,805	315,559	(544,783)
NET MOVEMENT IN FUNDS		9,057	697	305,805	315,559	(544,783)
Fund balances brought forward on 1 January 2023		662,543	17,460	6,788,629	7,468,633	8,013,414
Fund balances carried forward on 31 December 2023		671,601	18,157	7,094,434	7,784,192	7,468,632

All the activities of the fund are continuing in both this year and the previous year.

All comparative movements relate to unrestricted funds apart from investment loss which was split £1,537 to unrestricted, £1,389 to restricted and £541,857 to expendable endowment.

The notes on pages 15 to 18 form part of these financial statements

THE HONOURABLE SOCIETY OF LINCOLN'S INN
THE DENNING FUND
BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	2022 £
FIXED ASSETS			
Investments	5	7,681,555	7,373,627
CURRENT ASSETS			
Debtors	6	1,407	2,297
Cash at Bank		131,080	71,773
Amounts due from Lincoln's Inn		-	20,995
		132,487	95,065
CURRENT LIABILITIES			
Sundry Creditors	7	(60)	(60)
Amounts due to Lincoln's Inn		(29,790)	-
NET CURRENT ASSETS		102,637	95,005
NET ASSESTS		7,784,192	7,468,632
FUNDS	8		
Unrestricted		671,601	662,543
Restricted		18,157	17,460
Expendable Endowment		7,094,434	6,788,629
		7,784,192	7,468,632

Approved by the Trustees on:

and signed on their behalf by:

Mr Alan Boyle KC
Chairman of the Trustees

1st October 2024

The notes on pages 15 to 18 form part of these financial statements

THE HONOURABLE SOCIETY OF LINCOLN'S INN
THE DENNING FUND
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023

1. ACCOUNTING POLICIES

a) Accounting Convention

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) - (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

b) Going Concern accounting policy

The Trustees are confident that the Fund will have sufficient resources to meet its liabilities for at least 12 months from the date of signing this report and as such the accounts have been prepared on a going concern basis.

c) Income

All incoming resources are recognised in the Statement of Financial Activities when the charity has entitlement to the funds, it is probable that the income will be received, and the amount can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either:

- The charity is aware that probate has been granted.
- Receipt of a legacy in whole or in part, is only considered probable when the amount can be measured reliably, and the charity has been notified of the executor's intention to make a distribution.
- The estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made.
- When a distribution is received from the estate.

Receipt of a legacy in whole or part, is only considered probable when the amount can be measured reliably, and the charity has been notified of the executor's intention to make a distribution.

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the Trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are solely used for particular areas of the Trust's work of for a specific project. Donations required to be retained as capital in accordance with the donor's wishes are accounted for when probable as "endowments" - permanent or expendable according to the nature of the restriction.

d) **Expenditure**
Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. The irrecoverable element of VAT is included with the item of expenditure to which it relates. Where costs cannot be directly attributable to particular activities, they have been allocated to activities on a basis consistent with use of the resources.

Charitable expenditure comprises expenditure donated to Lincoln's Inn toward the awards of the Denning Fund Scholarships.

e) **Funds**
The funds of the charity comprise of:

i) the expendable endowment fund which was created by gifts donated to the charity for general education purposes a number of years ago and is expendable at the discretion of the Trustees.

ii) restricted funds, consisting of donations and legacies received which the donor has earmarked for a specific purpose.

iii) unrestricted funds which are expendable in the furtherance of the Fund's objectives.

f) **Investments**
Investments are stated at mid-market value at the balance sheet date.

2. **GOVERNANCE**
The Inn meets the cost of remuneration, for advice and services by the auditors and other professional advisors.

3. **TRANSACTIONS WITH TRUSTEES**
No Trustee, or person related or connected to them has received any remuneration or reimbursement of expenses from the Fund during the current or previous year.

4. **EDUCATIONAL AWARDS**
The Trust paid over dividend income on an as received basis to the Honourable Society of Lincoln's Inn of £252k (2022 £163k), which broadly coincides with the payment dates by Lincoln's Inn to pupil barristers and students of scholarships and awards made.

5. INVESTMENTS

	2023 £	2022 £
Market Value 1 January	7,373,628	7,912,477
Additions at cost	2,980,389	2,131,958
Proceeds of disposals	(2,978,964)	(2,127,563)
Gains/(Loss) on investments	306,502	(543,245)
Market Value 31 December	7,681,555	7,373,627
Historical cost 31 December	3,913,857	3,912,432

Indirect transaction costs are incurred through the bid-offer spread on investments within pooled investment vehicles. The amount of indirect costs is not separately provided to the scheme.

Significant investment holdings at market value on 31 December

	2023 £	2023 %	2022 £	2022 %
L&G UK Equitrack Fund Trust	-	-	1,976,046	26.8
L&G International Index Trust	3,476,705	45.26	2,516,469	34.13
L&G Fixed Interest Trust	1,165,484	15.17	-	-
L&G Emerging Markets	980,772	12.77	626,357	8.49
Ruffers absolute return H acc	2,058,593	26.8	2,254,756	30.58
TOTAL	7,681,593	100	7,373,627	100

6. DEBTORS

	2023 £	2022 £
Accrued Income	1,407	2,297

7. CREDITORS

	2023 £	2022 £
Sundry Creditors	60	60

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NOTES TO THE ACCOUNTS (cont...)
FOR THE YEAR ENDED 31 DECEMBER 2023

8. SPLIT OF NET ASSETS BETWEEN FUNDS

2023	Unrestricted Funds	Restricted Funds	Expendable Endowment Funds	2022
	£	£	£	£
Investments	568,964	18,157	7,094,434	7,681,555
Net current assets	102,637	-	-	102,637
	671,601	18,157	7,094,434	7,784,192

2022	Unrestricted Funds	Restricted Funds	Expendable Endowment Funds	2021
	£	£	£	£
Investments	567,538	17,460	6,788,629	7,373,627
Net current assets	95,005	-	-	95,005
	662,543	17,460	6,788,629	7,468,632

9. RELATED PARTY TRANSACTIONS

The Honourable Society of Lincoln's Inn is one of the four Inns of Court, it is an ancient unincorporated body of lawyers which for five centuries and more have had the power to call to the Bar those of their members who have duly qualified for the rank of degree of Barrister-at-Law.

The fund was established by members or former members of the Honourable Society of Lincoln's Inn and as laid out in its objectives when vacancies arise in the body of Trustees the Council of Benchers of The Honourable Society of Lincoln's Inn hold the power to appoint replacements. The Trustees are otherwise autonomous. The intercompany account between the Inn and the Denning at year end shows a balance of £29,790.

Accounts

CHARITY REGISTRATION NUMBER: 1102414

THE HONOURABLE SOCIETY OF LINCOLN'S INN

THE DENNING FUND

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

THE HONOURABLE SOCIETY OF LINCOLN'S INN
THE DENNING FUND
FOR THE YEAR ENDED 31 DECEMBER 2022

THE HONOURABLE SOCIETY OF LINCOLN'S INN
THE DENNING FUND
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022

CHARITY REGISTRATION NUMBER:	1102414
PRINCIPAL ADDRESS:	The Honourable Society of Lincoln's Inn Treasury Office Lincoln's Inn London WC2A 3TL
NAMES OF CHARITY TRUSTEES:	Mr A G Boyle KC (Chairman) Mr D H Day KC Mr J M Jarvis KC Mr P Jones KC
BANKERS:	C. Hoare & Co 37 Fleet Street London EC4P 4DQ
AUDITORS:	Haysmacintryre LLP 10 Queen Street Place London EC4R 1AG
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THE HONOURABLE SOCIETY OF LINCOLN'S INN
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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees present their annual report and the audited financial statements for the year ended 31 December 2022. The financial statements have been prepared on the basis of the accounting policies set out on page 11 of the financial statements and comply with the charity's trust deed, applicable law and the requirements of the Statement of Recommended Practice - 'Accounting and Reporting by Charities' issued in October 2019.

OBJECTS, OBJECTIVES AND PRINCIPAL ACTIVITIES

The Denning Fund, previously registered as charity number 282340, and the Lord Jenkins Fund, an unregistered charity, were merged with effect from 9 December 2003 to form a new charity called The Denning Fund in accordance with a Charity Commission Scheme. The Charity Commission Scheme is now the merged charity's governing document under which the Trustees are empowered to associate particular awards, at their discretion, to any benefactor identified with either of the merging charities. The purposes of the charities have not changed. The merger was undertaken to improve administration processes, make cost savings and consolidate investments to offer the potential for higher investment returns.

The charity is a trust whose object is for general charitable purposes. The principal activity of the Trustees is to use the income generated and Fund capital to assist in the provision of the scholarships or other awards to promote or aid the legal education of members of Lincoln's Inn and in particular students or pupils who intend to become practising members of the Bar of England and Wales.

ACHIEVEMENTS AND PERFORMANCE

For the year ended 31 December 2022 Lincoln's Inn made 62 Denning Scholarship awards totalling £839k (2021: 60 totalling £842K).

The Denning Fund contributed £169k towards these (2021: £156k). This represented 20% of the total awards, 18% in the previous year. Investments this year have shown a loss of £543k (2021 gain of £831k).

The Inn offers scholarships to candidates of the requisite quality who are graduates in Law or in subjects other than Law and who have indicated that their intention is to practise at the Bar of England and Wales.

Awards are made to candidates on merit to assist them with their funding throughout their continuing professional education, bar vocational course and pupillage years because it is the Inn's view that these are the years when students need the most financial support.

Merit is assessed in terms of the candidate's intellectual qualities, which is of the highest importance at the modern Bar, together with qualities of personality and presentation also regarded as being of the greatest importance in anyone aiming at life as a barrister.

Merit is assessed by a consideration of all the material placed before the Inn by the candidate in his or her written application and references together, where a candidate is invited for interview, with consideration of the candidate by a panel of interviewers. Candidates whose written applications do not, upon careful consideration, disclose the requisite quality, will not be invited for interview. Lincoln's Inn advertised the qualities it is looking for on its website.

Once scholars have been selected their financial award is calculated on the basis of their individual means. The scholars' means are calculated on the basis of their assets, savings, debt, other sources of financial support and projected expenses for the duration of their course or period of training. The Scholarships Committee sets out the formulas to be applied - e.g., only taking into account savings above a certain level and capping monthly expenses - and reviews this regularly. All scholars' will be awarded a minimum of £1,000.

Lincoln's Inn does not discriminate unlawfully against any person on the grounds of that person's sex, colour, race nationality or ethnic or national origin, disability, sexual orientation, religion or belief, or age, or in any other way that is unlawful.

The Trustees of the Denning Fund believe that these application criteria do not create unreasonable restrictions on access by candidates to the scholarships available.

Investments are shown on the Balance Sheet at market value in accordance with charity accounting rules.

The Net Assets of the Fund decreased by £544k from £8,013k to £7,469k.

FUNDRAISING

Whilst we do not actively fundraise, we are fortunate to receive donations and bequests from time to time. We are grateful for the generosity of the donors.

GRANT MAKING POLICY

The Denning Fund donates towards the overall level of individual awards and grants made by Lincoln's Inn. Income is earned from investments in the form of dividends and interest is transferred as received from the investment manager to the Honourable Society of Lincoln's Inn. At the end of each financial year the Trustees assess the value of the total transfer of funds that has been made for the year and pay or take a balancing amount to or from the Inn as an annual adjustment.

In making a grant the Denning Fund Trustees expect the responsible Committee to supervise the spending of the monies granted. The Denning Fund Trustees are not themselves in a position to do so. Expenditure by Lincoln's Inn is controlled and managed by its various officers and monitored by the Finance, Education and Scholarship Committees. Lincoln's Inn pays the individual in question on approval from the relevant Committees and on production of properly approved applications for scholarships payments. Once a payment has been made by the Inn, the Inn requests part or all of the promised contribution from the fund. The value of contributions is never more than the total value of scholarships; Lincoln's Inn makes up any shortfall.

The Trustees agreed that the grant making policy and procedure achieves the objectives of the Fund.

RESERVES POLICY

The Trustees have reviewed the reserves of the Charity, which comprise of £663k unrestricted, £17k restricted and £6,789k expendable endowment. The Trustees have identified that the end beneficiaries of the Charity are not in any way deprived from the benefit of the Charity's objectives.

The review encompassed the nature of the income streams and the policy adopted by the Trustees, which they consider to be prudent, to distribute the annual investment income of the Charity. The Trustees recognise that should the Inn become unable to fund its scholarships, the Trustees must hold sufficient reserves to ensure the interests of future beneficiaries. The Trustees consider the Charity's expendable endowment fund is suitable for this purpose. Grants are funded from free reserves and income during the year. The policies are reviewed on a regular basis.

FUTURE DEVELOPMENTS

The Trustees of the Denning Fund have reviewed the overall structure and efficiency of the fund and consolidated the investments into one account managed by the Investment Committee and by the investment managers. The Trustees have reviewed the performance of the fund managers and will continue to do so at regular intervals.

INVESTMENT POWERS AND POLICY

In accordance with their powers under the Trust Deed, the Trustees have delegated the management of the portfolio and the investment powers to the Lincoln's Inn Investment Committee.

The Investment Committee meets with the fund managers twice a year and holds two additional meetings to consider the investment manager's report.

INVESTMENT PERFORMANCE

During the year the Trustees allocated 30% of the funds' investments to a diversified growth fund held with Ruffer LLP. The other 70% of the fund remained invested with Legal & General under passive management in pooled funds.

The performance of the Legal & General portfolio tracked the market; so, while doing no better than the market, the fund has done no worse. The Ruffers element of the portfolio was invested in September 2022. Its performance over the three months to the year end was +4.9%.

Legal & General levy charges consist of a flat per scheme charge, plus an ad-valorem charge and a management charge.

LEGAL & GENERAL'S INVESTMENT MANDATE

Legal & General manage the Scheme's assets on a passive basis in their pooled index funds. The distribution of the Scheme's assets is to be maintained in predetermined proportions. LGIM's purpose is to create a better future through responsible investing. Aligned to this purpose, ESG is a central underpinning to all of LGIM's activities and especially within strategic initiatives. LGIM has developed and publicly disclosed its policies for stewardship activities. Their policies are reviewed annually and updated where necessary to ensure they remain aligned with the various evolving regulations, best practice, and client feedback.

Where possible, cashflows into or out of the fund will be used to maintain the asset distribution within the specified ranges. In addition, switches between asset classes will be implemented should any asset classes move outside their ranges.

RUFFER'S MANDATE

Ruffers single investment strategy is defined by two simple investment objectives; not to lose money in any 12 month period and to generate returns meaningfully ahead of the return on cash. Ruffers will always hold investments in they refer to as growth and protection assets. These are held alongside one another and exposure to each is changed dynamically over time.

FUNDS

The funds of the Charity comprise of:

i) unrestricted funds, which are expendable in the furtherance of the Fund's objectives.

ii) expendable endowment funds which were created by gifts a number of years ago. In accordance with the terms of the gift the capital fund is to be maintained unless it is required to be spent and the income is treated as unrestricted income. The capital of the fund can be expended at the Trustees' discretion.

iii) restricted funds arise from a historic donation to a fund called the Joan Denning Prize.

In the opinion of the Trustees the Charity's assets are sufficient to meet its commitments.

TRUSTEES' TRAINING AND REMUNERATION

New Trustees are offered appropriate induction and training procedures. All the appointed Trustees are experienced lawyers.

The Charity has no employees and no Trustee received remuneration for their services.

TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practices (UK-GAAP).

Law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each year which gives a true and fair view of the Charity's financial activities during the year and of its financial position at the end of the year. In preparing accounts giving a true and fair view, the Trustees should follow best practice and:

i) select suitable accounting policies and apply them consistently.

ii) make judgements and estimates that are reasonable and prudent.

iii) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts, and

iv) prepare the accounts on the going concern basis unless it is inappropriate to assume that the charity will continue in operation.

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity, and which enable them to ascertain the financial position of the charity and allow them to ensure that the accounts comply with applicable law. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of error, fraud and other irregularities. During the year the Trustees appointed new auditors Haysmacintyre LLP.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included in the Charity Commission's website and receive no remuneration.

The Trustees have complied with the duty in s.17 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the Public Benefit requirement under that Act.

Approved by the Trustees on:

and signed on their behalf by:

Mr Alan Boyle KC
Chairman of the Trustees

6/11/2023

INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES OF THE HONOURABLE SOCIETY OF LINCOLN'S INN
THE DENNING FUND
FOR THE YEAR ENDED 31 DECEMBER 2022

OPINION

We have audited the financial statements of The Honourable Society of Lincoln's Inn Denning Fund for the year ended 31 December 2022 which comprise the Statement of Financial Activities, Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as of 31 December 2022 and of the Charity's net movement in funds for the year then ended.

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

- have been prepared in accordance with the requirements of the Charities Act 2011.

BASIS FOR OPINION

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES OF THE HONOURABLE SOCIETY OF LINCOLN'S INN
THE DENNING FUND
FOR THE YEAR ENDED 31 DECEMBER 2022

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charity; or
- sufficient accounting records have not been kept; or
- the charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITES OF THE TRUSTEESFOR THE FINANCIAL STATEMENTS

As explained more fully in the trustees' responsibilities statement set out on page 6, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPNSIBILITES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to management 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 regulation and fraud.

- Evaluating management's controls designed to prevent and detect irregularities.

- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions.

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.

INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEESOF THE HONOURABLE SOCIETY OF LINCOLN'S INN (cont...)
THE DENNING FUND
FOR THE YEAR ENDED 31 DECEMBER 2022

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.

USE OF OUR REPORT

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's Trustees as a body for our audit work, for this report, or for the opinions we have formed.

Haysmacintyre LL

Haysmacintrye LLP
Statutory Auditors
08/11/23

10 Queen Street Place
London
EC4R 1AG

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

THE DENNING FUND
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Unrestricted Funds	Restricted Funds	Expendable Endowment Funds	2022	2021
		£	£	£	£	£
Income from:						
Donations and Legacies		1,673	-	-	1,673	10,715
Investment income - Fee rebates		3,451	-	-	3,451	4,282
Investment income		162,729	-	-	162,729	156,574
Interest		203	-	-	203	-
Total Income		168,056	-	-	168,056	171,571
Expenditure on:						
Management & Administration		(420)	-	-	(420)	(420)
Educational Awards	4	(169,173)	-	-	(169,173)	(156,049)
Total Expenditure:		(169,593)	-	-	(169,593)	(156,469)
Net Gain/(loss) on investments			(1,389)	(541,857)	(543,246)	830,599
Net income/(expenditure)		(1,537)	(1,389)	(541,857)	(544,783)	845,701
NET MOVEMENT IN FUNDS		(1,537)	(1,389)	(541,857)	(544,783)	845,701
Fund balances brought forward on 1 January 2022		664,080	18,849	7,330,486	8,013,414	7,167,713
Fund balances carried forward on 31 December 2022		662,543	17,460	6,788,629	7,468,632	8,013,414

All the activities of the fund are continuing in both this year and the previous year.

All comparative movements relate to unrestricted funds apart from investment gain which was split to £1,791 to restricted and £828,808 to expendable endowment.

BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
FIXED ASSETS			
Investments	5	7,373,627	7,912,479
CURRENT ASSETS			
Debtors	6	2,297	9,536
Cash at Bank		71,773	71,389
Amounts due from Lincoln's Inn		20,995	20,072
		95,065	100,997
CURRENT LIABILITIES			
Sundry Creditors	7	(60)	(60)
NET CURRENT ASSETS		95,005	89,719
NET ASSESTS		7,468,632	7,167,714
FUNDS	8		
Unrestricted		662,543	664,080
Restricted		17,460	18,849
Expendable Endowment		6,788,629	7,330,486
		7,468,632	8,013,415

Approved by the Trustees on: 6 November 2023

and signed on their behalf by:

Mr Alan Boyle KC
Chairman of the Trustees

The notes on pages 15 to 18 form part of these financial statements

THE HONOURABLE SOCIETY OF LINCOLN'S INN
THE DENNING FUND
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1. **ACCOUNTING POLICIES**

a) **Accounting Convention**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) - (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

b) **Going Concern accounting policy**

The Trustees are confident that the Fund will have sufficient resources to meet its liabilities for at least 12 months from the date of signing this report and as such the accounts have been prepared on a going concern basis.

c) **Income**

All incoming resources are recognised in the Statement of Financial Activities when the charity has entitlement to the funds, it is probable that the income will be received, and the amount can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either:

- The charity is aware that probate has been granted.
- Receipt of a legacy in whole or in part, is only considered probable when the amount can be measured reliably, and the charity has been notified of the executor's intention to make a distribution.
- The estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made.
- When a distribution is received from the estate.

Receipt of a legacy in whole or part, is only considered probable when the amount can be measured reliably, and the charity has been notified of the executor's intention to make a distribution.

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the Trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are solely used for particular areas of the Trust's work of for a specific project. Donations required to be retained as capital in accordance with the donor's wishes are accounted for when probable as "endowments" - permanent or expendable according to the nature of the restriction.

d) **Expenditure**
Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. The irrecoverable element of VAT is included with the item of expenditure to which it relates. Where costs cannot be directly attributable to particular activities, they have been allocated to activities on a basis consistent with use of the resources.

Charitable expenditure comprises expenditure donated to Lincoln's Inn toward the awards of the Denning Fund Scholarships.

e) **Funds**
The funds of the charity comprise of:

i) the expendable endowment fund which was created by gifts donated to the charity for general education purposes a number of years ago and is expendable at the discretion of the Trustees.

ii) restricted funds, consisting of donations and legacies received which the donor has earmarked for a specific purpose.

iii) unrestricted funds which are expendable in the furtherance of the Fund's objectives.

f) **Investments**
Investments are stated at mid-market value at the balance sheet date.

2. GOVERNANCE
The Inn meets the cost of remuneration, for advice and services by the auditors and other professional advisors.

3. TRANSACTIONS WITH TRUSTEES
No Trustee, or person related or connected to them has received any remuneration or reimbursement of expenses from the Fund during the current or previous year.

4. EDUCATIONAL AWARDS
The Trust paid over dividend income on an as received basis to the Honourable Society of Lincoln's Inn of £169k (2021 £156k), which broadly coincides with the payment dates by Lincoln's Inn to pupil barristers and students of scholarships and awards made.

5. INVESTMENTS

	2022 £	2021 £
Market Value 1 January	7,912,477	7,077,996
Additions at cost	2,131,958	485,384
Proceeds of disposals	(2,127,563)	(481,5000
Gains/(Loss) on investments	(543,245)	830,599
Market Value 31 December	7,373,627	7,912,479
Historical cost 31 December	3,912,432	3,901,319

Indirect transaction costs are incurred through the bid-offer spread on investments within pooled investment vehicles. The amount of indirect costs is not separately provided to the scheme.

Significant investment holdings at market value on 31 December

	2022 £	2022 %	2021 £	2021 %
L&G UK Equitrack Fund Trust	1,976,046	26.8	1,976,046	32.82
L&G International Index Trust	2,516,469	34.13	3,299,001	41.69
L&G Fixed Interest Trust	-	-	1,233,687	15.59
L&G Emerging Markets	626,357	8.49	783,154	9.9
Ruffers absolute return H acc	2,254,756	30.58	-	-
TOTAL	7,373,627	100	7,912,479	100

6. DEBTORS

	2022 £	2021 £
Accrued Income	2,297	9,536

7. CREDITORS

	2022 £	2021 £
Sundry Creditors	60	60

8. SPLIT OF NET ASSETS BETWEEN FUNDS

2022	Unrestricted Funds	Restricted Funds	Expendable Endowment Funds	2022
	£	£	£	£
Investments	567,538	17,460	6,788,629	7,373,627
Net current assets	95,005	-	-	95,005
	662,543	17,460	6,788,629	7,468,632

2021	Unrestricted Funds	Restricted Funds	Expendable Endowment Funds	2021
	£	£	£	£
Investments	563,143	18,849	7,330,486	7,912,478
Net current assets	100,937	-	-	100,937
	664,080	18,849	7,330,486	8,013,415

9. RELATED PARTY TRANSACTIONS

The Honourable Society of Lincoln's Inn is one of the four Inns of Court, it is an ancient unincorporated body of lawyers which for five centuries and more have had the power to call to the Bar those of their members who have duly qualified for the rank of degree of Barrister-at-Law.

The fund was established by members or former members of the Honourable Society of Lincoln's Inn and as laid out in its objectives when vacancies arise in the body of Trustees the Council of Benchers of The Honourable Society of Lincoln's Inn hold the power to appoint replacements. The Trustees are otherwise autonomous. The intercompany account between the Inn and the Denning fund includes donations of £1k into the Inn's bank account, the balance of the account is £21k and will be transferred from the Inn to the Denning fund bank account during 2023. There are no further related parties.

Accounts

CHARITY REGISTRATION NUMBER: 1102414

THE HONOURABLE SOCIETY OF LINCOLN'S INN

THE DENNING FUND

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

THE HONOURABLE SOCIETY OF LINCOLN'S INN
THE DENNING FUND
FOR THE YEAR ENDED 31 DECEMBER 2021

THE HONOURABLE SOCIETY OF LINCOLN'S INN
THE DENNING FUND
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021

CHARITY REGISTRATION NUMBER:	1102414
PRINCIPAL ADDRESS:	The Honourable Society of Lincoln's Inn Treasury Office Lincoln's Inn London WC2A 3TL
NAMES OF CHARITY TRUSTEES: The Trustees who served during the year were:	Mr A G Boyle QC (Chairman) Mr D H Day QC Mr J M Jarvis QC Mr P Jones QC
BANKERS:	C. Hoare & Co 37 Fleet Street London EC4P 4DQ
AUDITORS:	Haysmacintryre LLP 10 Queen Street Place London EC4R 1AG
INVESTMENT MANAGERS:	Legal & General Group Plc Legal & General Investment Management One Coleman Street London EC2R 5AA

The Trustees present their annual report and the audited financial statements for the year ended 31 December 2021. The financial statements have been prepared on the basis of the accounting policies set out on page 11 of the financial statements and comply with the charity's trust deed, applicable law and the requirements of the Statement of Recommended Practice - 'Accounting and Reporting by Charities' issued in October 2019.

OBJECTS, OBJECTIVES AND PRINCIPAL ACTIVITIES

The Denning Fund, previously registered as charity number 282340, and the Lord Jenkins Fund, an unregistered charity, were merged with effect from 9 December 2003 to form a new charity called The Denning Fund in accordance with a Charity Commission Scheme. The Charity Commission Scheme is now the merged charity's governing document under which the Trustees are empowered to associate particular awards, at their discretion, to any benefactor identified with either of the merging charities. The purposes of the charities have not changed. The merger was undertaken to improve administration processes, make cost savings and consolidate investments to offer the potential for higher investment returns.

The charity is a trust whose object is for general charitable purposes. The principal activity of the Trustees is to use the income generated and Fund capital to assist in the provision of the scholarships or other awards to promote or aid the legal education of members of Lincoln's Inn and in particular students or pupils who intend to become practising members of the Bar of England and Wales.

ACHIEVEMENTS AND PERFORMANCE

For the year ended 31 December 2021 Lincoln's Inn made 60 Denning Scholarship awards totalling £842k (2020: 44 totalling £768K).

The Denning Fund contributed £156k towards these (2020: £148k). This represented 18% of the total awards, 19% in the previous year. Investments this year have shown a gain of £831k (2020 gain of £181k).

The Inn offers scholarships to candidates of the requisite quality who are graduates in Law or in subjects other that Law and who have indicated that their intention is to practise at the Bar of England and Wales.

Awards are made to candidates on merit to assist them with their funding throughout their continuing professional education, bar vocational course and pupillage years because it is the Inn's view that these are the years when students need the most financial support.

Merit is assessed in terms of the candidate's intellectual qualities, which is of the highest importance at the modern Bar, together with qualities of personality and presentation also regarded as being of the greatest importance in anyone aiming at life as a barrister.

Merit is assessed by a consideration of all the material placed before the Inn by the candidate in his or her written application and references together, where a candidate is invited for interview, with consideration of the candidate by a panel of interviewers. Candidates whose written applications do not, upon careful consideration, disclose the requisite quality, will not be invited for interview. Lincoln's Inn advertised the qualities it is looking for on its website.

Once scholars have been selected their financial award is calculated on the basis of their individual means. The scholars' means are calculated on the basis of their assets, savings, debt, other sources of financial support and projected expenses for the duration of their course or period of training. The Scholarships Committee sets out the formulas to be applied - e.g. only taking into account savings above a certain level and capping monthly expenses - and reviews this regularly. All scholars' will be awarded a minimum of £1,000.

Lincoln's Inn does not discriminate unlawfully against any person on the grounds of that person's sex, colour, race nationality or ethnic or national origin, disability, sexual orientation, religion or belief, or age, or in any other way that is unlawful.

The Trustees of the Denning Fund believe that these application criteria do not create unreasonable restrictions on access by candidates to the scholarships available.

Investments are shown on the Balance Sheet at market value in accordance with charity accounting rules.

The Net Assets of the Fund increased by £845k from £7,168k to £8,013k.

FUNDRAISING

Whilst we do not actively fundraise, we are fortunate to receive donations and bequests from time to time. We are grateful for the generosity of the donors.

GRANT MAKING POLICY

The Denning Fund donates towards the overall level of individual awards and grants made by Lincoln's Inn. Income is earned from investments in the form of dividends and interest is transferred as received from the investment manager to the Honourable Society of Lincoln's Inn. At the end of each financial year the Trustees assess the value of the total transfer of funds that has been made for the year and pay or take a balancing amount to or from the Inn as an annual adjustment.

In making a grant the Denning Fund Trustees expect the responsible Committee to supervise the spending of the monies granted. The Denning Fund Trustees are not themselves in a position to do so. Expenditure by Lincoln's Inn is controlled and managed by its various officers and monitored by the Finance, Education and Scholarship Committees. Lincoln's Inn pays the individual in question on approval from the relevant Committees and on production of properly approved applications for scholarships payments. Once a payment has been made by the Inn, the Inn requests part or all of the promised contribution from the fund. The value of contributions is never more than the total value of scholarships; Lincoln's Inn makes up any shortfall.

The Trustees agreed that the grant making policy and procedure achieves the objectives of the Fund.

RESERVES POLICY

The Trustees have reviewed the reserves of the Charity, which comprise of £664k unrestricted, £19k restricted and £7,330k expendable endowment. The Trustees have identified that the end beneficiaries of the Charity are not in any way deprived from the benefit of the Charity's objectives.

The review encompassed the nature of the income streams and the policy adopted by the Trustees, which they consider to be prudent, to distribute the annual investment income of the Charity. The Trustees recognise that should the Inn become unable to fund its scholarships, the Trustees must hold sufficient reserves to ensure the interests of future beneficiaries. The Trustees consider the Charity's expendable endowment fund is suitable for this purpose. Grants are funded from free reserves and income during the year. The policies are reviewed on a regular basis.

FUTURE DEVELOPMENTS

The Trustees of the Denning Fund have reviewed the overall structure and efficiency of the fund and consolidated the investments into one account managed by the Investment Committee and by the investment managers. The Trustees have reviewed the performance of the fund managers and will continue to do so at regular intervals.

INVESTMENT POWERS AND POLICY

In accordance with their powers under the Trust Deed, the Trustees have delegated the management of the portfolio and the investment powers to the Lincoln's Inn Investment Committee.

The Investment Committee meets with the fund managers twice a year and holds two additional meetings to consider the investment manager's report.

INVESTMENT PERFORMANCE

The funds are invested with Legal & General under passive management in pooled funds that track the market; while doing no better than the market, the fund has done no worse.

Legal & General levy charges consist of a flat per scheme charge, plus an ad-valorem charge and a management charge.

LEGAL & GENERAL'S INVESTMENT MANDATE

Legal & General manage the Scheme's assets on a passive basis in their pooled index funds. The distribution of the Scheme's assets is to be maintained in predetermined proportions. LGIM's purpose is to create a better future through responsible investing. Aligned to this purpose, ESG is a central underpinning to all of LGIM's activities and especially within strategic initiatives. LGIM has developed and publicly disclosed its policies for stewardship activities. Their policies are reviewed annually and updated where necessary to ensure they remain aligned with the various evolving regulations, best practice and client feedback.

Where possible, cashflows into or out of the fund will be used to maintain the asset distribution within the specified ranges. In addition, switches between asset classes will be implemented should any asset classes move outside their ranges.

FUNDS

The funds of the Charity comprise of:

i) unrestricted funds, which are expendable in the furtherance of the Fund's objectives.
ii) expendable endowment funds which were created by gifts a number of years ago. In accordance with the terms of the gift the capital fund is to be maintained unless it is required to be spent and the income is treated as unrestricted income. The capital of the fund can be expended at the Trustees' discretion.
iii) restricted funds arise from a historic donation to a fund called the Joan Denning Prize.

In the opinion of the Trustees the Charity's assets are sufficient to meet its commitments.

TRUSTEES' TRAINING AND REMUNERATION

New Trustees are offered appropriate induction and training procedures. All the appointed Trustees are experienced lawyers.

The Charity has no employees and no Trustee received remuneration for their services.

TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practices (UK-GAAP).

Law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each year which gives a true and fair view of the Charity's financial activities during the year and of its financial position at the end of the year. In preparing accounts giving a true and fair view, the Trustees should follow best practice and:

i) select suitable accounting policies and apply them consistently;
ii) make judgements and estimates that are reasonable and prudent;
iii) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts, and
iv) prepare the accounts on the going concern basis unless it is inappropriate to assume that the charity will continue in operation.

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain the financial position of the charity and allow them to ensure that the accounts comply with applicable law. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of error, fraud and other irregularities. During the year the Trustees appointed new auditors Haysmacintyre LLP.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included in the Charity Commission's website and receive no remuneration.

The Trustees have complied with the duty in s.17 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the Public Benefit requirement under that Act.

Approved by the Trustees on ________________

and signed on their behalf by

14 June 2022.

Mr Alan Boyle QC
Chairman of the Trustees

INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES OF THE HONOURABLE SOCIETY OF LINCOLN'S INN
THE DENNING FUND
FOR THE YEAR ENDED 31 DECEMBER 2021

OPINION

We have audited the financial statements of The Honourable Society of Lincoln's Inn Denning Fund for the year ended 31 December 2021 which comprise the Statement of Financial Activities, Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of the Charity's net movement in funds for
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

BASIS FOR OPINION

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

OTHER INFORMATION

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charity; or
- sufficient accounting records have not been kept; or
- the charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITES OF THE TRUSTEES FOR THE FINANCIAL STATEMENTS

As explained more fully in the trustees' responsibilities statement set out on page 6, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPNSIBILITES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Based on our understanding of the charity and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations and we considered the extent to which non-compliance might have a material effect on the financial statements. No such area's of non-compliance were identified.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to management 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 regulation and fraud;

Evaluating management's controls designed to prevent and detect irregularities;

Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions;

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.

USE OF OUR REPORT

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.

Haysmacintyre LLP

Haysmacintrye LLP
Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

Date: 15 September 2022

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

THE HONOURABLE SOCIETY OF LINCOLN'S INN
THE DENNING FUND
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Unrestricted Funds £	Restricted Funds £	Expendable Endowment Funds £	2021 £	2020 £
Income from:						
Donations and Legacies		10,715	-	-	10,715	13,693
Investment income - Fee rebates		4,282	-	-	4,282	3,638
Investment income		156,574	-	-	156,574	146,458
Total Income		171,571	-	-	171,571	163,789
Expenditure on:						
Management & Administration		(420)	-	-	(420)	(240)
Educational Awards	4	(156,049)	-	-	(156,049)	(147,701)
Total Expenditure:		(156,469)	-	-	- 156,469	(147,941)
Net Gain/(loss) on investments			1,791	828,808	830,599	181,213
Net income/(expenditure)		15,102	1,791	828,808	845,701	197,061
NET MOVEMENT IN FUNDS		15,102	1,791	828,808	845,701	197,061
Fund balances brought forward at 1 January 2020		648,978	17,058	6,501,678	7,167,713	6,970,653
Fund balances carried forward at 31 December 2021		664,080	18,849	7,330,486	8,013,414	7,167,713

All the activities of the fund are continuing in both this year and the previous year.

All comparative movements relate to unrestricted funds apart from investment gain which was split to £426 to restricted and £180,786 to expendable endowment.

The notes on pages 11 to 13 form part of these financial statements

THE HONOURABLE SOCIETY OF LINCOLN'S INN
THE DENNING FUND
BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021	2020
		£	£
FIXED ASSETS			
Investments	5	7,912,478	7,077,995
CURRENT ASSETS			
Debtors	6	9,536	8,337
Cash at Bank		71,389	62,208
Amounts due from Lincoln's Inn		20,072	19,234
		100,997	89,779
CURRENT LIABILITIES			
Sundry Creditors	7	(60)	(60)
NET CURRENT ASSETS		100,937	89,719
NET ASSESTS		8,013,415	7,167,714
FUNDS	8		
Unrestricted		664,080	648,978
Restricted		18,849	17,058
Expendable Endowment		7,330,486	6,501,678
		8,013,415	7,167,714

Approved by the Trustees on:
and signed on their behalf by:

14 June 2022

Mr Alan Boyle QC
Chairman of the Trustees

The notes on pages 11 to 13 form part of these financial statements

1. ACCOUNTING POLICIES

a) Accounting Convention

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) - (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

b) Going Concern accounting policy

The Trustees are confident that the Fund will have sufficient resources to meet its liabilities for at least 12 months from the date of signing this report and as such the accounts have been prepared on a going concern basis.

c) Income

All incoming resources are recognised in the Statement of Financial Activities when the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either:

- The charity is aware that probate has been granted.
- Receipt of a legacy in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution.
- The estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made.
- When a distribution is received from the estate.

Receipt of a legacy in whole or part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution.

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the Trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are solely used for particular areas of the Trust's work of for a specific project. Donations required to be retained as capital in accordance with the donor's wishes are accounted for when probable as "endowments" - permanent or expendable according to the nature of the restriction.

d) Expenditure

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. The irrecoverable element of VAT is included with the item of expenditure to which it relates. Where costs cannot be directly attributable to particular activities they have been allocated to activities on a basis consistent with use of the resources.

Charitable expenditure comprises expenditure donated to Lincoln's Inn toward the awards of the Denning Fund Scholarships.

e) Funds

The funds of the charity comprise of:

i) the expendable endowment fund which was created by gifts donated to the charity for general education purposes a number of years ago and is expendable at the discretion of the Trustees.

ii) restricted funds, consisting of donations and legacies received which the donor has earmarked for a specific purpose.

iii) unrestricted funds which are expendable in the furtherance of the Fund's objectives.

f) Investments

Investments are stated at mid-market value at the balance sheet date.

2. GOVERNANCE

The Inn meets the cost of remuneration, for advice and services by the auditors and other professional advisors.

3. **TRANSACTIONS WITH TRUSTEES**

No Trustee, or person related or connected to them has received any remuneration or reimbursement of expenses from the Fund during the current or previous year.

4. **EDUCATIONAL AWARDS**

The Trust paid over dividend income on an as received basis to the Honourable Society of Lincoln's Inn of £156k (2020 £148k), which broadly coincides with the payment dates by Lincoln's Inn to pupil barristers and students of scholarships and awards made.

5. **INVESTMENTS**

	2020 £	2020 £
Market Value 1 January	7,077,996	6,893,020
Additions at cost	485,384	204,263
Proceeds of disposals	(481,500)	(200,500)
Gains/(Loss) on investments	830,599	181,212
Market Value 31 December	7,912,478	7,077,996
Historical cost 31 December	3,901,319	3,897,435

Indirect transaction costs are incurred through the bid-offer spread on investments within pooled investment vehicles. The amount of indirect costs is not separately provided to the scheme.

Significant investment holdings at market value at 31 December

	2021 £	2021 %	2020 £	2020 %
L&G UK Equitrack Fund Trust	2,596,636	32.82	2,227,516	31.47
L&G International Index Trust	3,299,001	41.69	2,933,080	41.44
L&G Fixed Interest Trust	1,233,687	15.59	1,073,650	15.17
L&G Emerging Markets	783,154	9.90	843,749	11.92
TOTAL	7,912,478	100	7,077,995	100

6. **DEBTORS**

	2021 £	2020 £
Accrued Income	9,536	8,337

7. **CREDITORS**

	2021 £	2020 £
Sundry Creditors	60	60

8. **SPLIT OF NET ASSETS BETWEEN FUNDS**

2021	Unrestricted Funds £	Restricted Funds £	Expendable Endowment Funds £	2021 £
Investments	563,143	18,849	7,330,486	7,912,478
Net current assets	100,937		-	100,937
	664,080	18,849	7,330,486	8,013,415

2020	Unrestricted Funds £	Restricted Funds £	Expendable Endowment Funds £	2020 £
Investments	576,317	-	6,501,678	7,077,995
Net current assets	72,661	17,058	-	89,719
	648,978	17,058	6,501,678	7,167,714

9. RELATED PARTY TRANSACTIONS

The Honourable Society of Lincoln's Inn is one of the four Inns of Court, It is an ancient unincorporated body of lawyers which for five centuries and more have had the power to call to the Bar those of their members who have duly qualified for the rank of degree of Barrister-at-Law.

The fund was established by members or former members of the Honourable Society of Lincoln's Inn and as laid out in its objectives when vacancies arise in the body of Trustees the Council of Benchers of The Honourable Society of Lincoln's Inn hold the power to appoint replacements. The Trustees are otherwise autonomous. The intercompany account between the Inn and the Denning fund includes donations of £3k in to the Inn's bank account, the balance of the account is £19k and will be transferred from the Inn to the Denning fund bank account during 2021. There are no further related parties.

Accounts

CHARITY REGISTRATION NUMBER: 1102414

THE HONOURABLE SOCIETY OF LINCOLN'S INN

THE DENNING FUND

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

INDEX

THE HONOURABLE SOCIETY OF LINCOLN'S INN
THE DENNING FUND
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020

CHARITY REGISTRATION NUMBER:	1102414
PRINCIPAL ADDRESS:	The Honourable Society of Lincoln's Inn Treasury Office Lincoln's Inn London WC2A 3TL
NAMES OF CHARITY TRUSTEES: The Trustees who served during the year were:	Mr A G Boyle QC (Chairman) Mr D H Day QC Mr J M Jarvis QC Mr P Jones QC
BANKERS:	C. Hoare & Co 37 Fleet Street London EC4P 4DQ
AUDITORS:	Haysmacintryre LLP 10 Queen Street Place London EC4R 1AG
INVESTMENT MANAGERS:	Legal & General Group Plc Legal & General Investment Management One Coleman Street London EC2R 5AA

The Trustees present their annual report and the audited financial statements for the year ended 31 December 2020. The financial statements have been prepared on the basis of the accounting policies set out on page 11 of the financial statements and comply with the charity's trust deed, applicable law and the requirements of the Statement of Recommended Practice - 'Accounting and Reporting by Charities' issued in October 2019.

OBJECTS, OBJECTIVES AND PRINCIPAL ACTIVITIES

The Denning Fund, previously registered as charity number 282340, and the Lord Jenkins Fund, an unregistered charity, were merged with effect from 9 December 2003 to form a new charity called The Denning Fund in accordance with a Charity Commission Scheme. The Charity Commission Scheme is now the merged charity's governing document under which the Trustees are empowered to associate particular awards, at their discretion, to any benefactor identified with either of the merging charities. The purposes of the charities have not changed. The merger was undertaken to improve administration processes, make cost savings and consolidate investments to offer the potential for higher investment returns.

The charity is a trust whose object is for general charitable purposes. The principal activity of the Trustees is to use the income generated and Fund capital to assist in the provision of the scholarships or other awards to promote or aid the legal education of members of Lincoln's Inn and in particular students or pupils who intend to become practising members of the Bar of England and Wales.

ACHIEVEMENTS AND PERFORMANCE

For the year ended 31 December 2020 Lincoln's Inn made 44 Denning Scholarship awards totalling £768k (2019: 66 totalling £954K).

The Denning Fund contributed £148k towards these (2019: £192k). This represented 19% of the total awards, 20% in the previous year. Investments this year have shown an unrealised gain of £181k (2019 unrealised gain of £912k).

The Inn offers scholarships to candidates of the requisite quality who are graduates in Law or in subjects other that Law and who have indicated that their intention is to practise at the Bar of England and Wales.

Awards are made to candidates on merit to assist them with their funding throughout their continuing professional education, bar vocational course and pupillage years because it is the Inn's view that these are the years when students need the most financial support.

Merit is assessed in terms of the candidate's intellectual qualities, which is of the highest importance at the modern Bar, together with qualities of personality and presentation also regarded as being of the greatest importance in anyone aiming at life as a barrister.

Merit is assessed by a consideration of all the material placed before the Inn by the candidate in his or her written application and references together, where a candidate is invited for interview, with consideration of the candidate by a panel of interviewers. Candidates whose written applications do not, upon careful consideration, disclose the requisite quality, will not be invited for interview. Lincoln's Inn advertised the qualities it is looking for on its website.

Once scholars have been selected their financial award is calculated on the basis of their individual means. The only exception to this is the Mansfield Scholarships which are offered at a minimum of £20,000. The scholars' means are calculated on the basis of their assets, savings, debt, other sources of financial support and projected expenses for the duration of their course of period of training. The Scholarships Committee sets out the formulas to be applied - e.g. only taking into account savings above a certain level and capping monthly expenses - and reviews this regularly. All scholars' will be awarded a minimum of £1,000.

Lincoln's Inn does not discriminate unlawfully against any person on the grounds of that person's sex, colour, race nationality or ethnic or national origin, disability, sexual orientation, religion or belief, or age, or in any other way that is unlawful.

The Trustees of the Denning Fund believe that these application criteria do not create unreasonable restrictions on access by candidates to the scholarships available.

Investments are shown on the Balance Sheet at market value in accordance with charity accounting rules.

The Net Assets of the Fund increased by £197k from £6,971k to £7,168k.

FUNDRAISING

Whilst we do not actively fundraise, we are fortunate to receive donations and bequests from time to time. We are grateful for the generosity of the donors.

GRANT MAKING POLICY
The Denning Fund donates towards the overall level of individual awards and grants made by Lincoln's Inn. Income is earned from investments in the form of dividends and interest is transferred as received from the investment manager to the Honourable Society of Lincoln's Inn. At the end of each financial year the Trustees assess the value of the total transfer of funds that has been made for the year and pay or take a balancing amount to or from the Inn as an annual adjustment.

In making a grant the Denning Fund Trustees expect the responsible Committee to supervise the spending of the monies granted. The Denning Fund Trustees are not themselves in a position to do so. Expenditure by Lincoln's Inn is controlled and managed by its various officers and monitored by the Finance, Education and Scholarship Committees. Lincoln's Inn pays the individual in question on approval from the relevant Committees and on production of properly approved applications for scholarships payments. Once a payment has been made by the Inn, the Inn requests part or all of the promised contribution from the fund. The value of contributions is never more than the total value of scholarships; Lincoln's Inn makes up any shortfall.

The Trustees agreed that the grant making policy and procedure achieves the objectives of the Fund.

RESERVES POLICY
The Trustees have reviewed the reserves of the Charity, which comprise of £649k unrestricted, £17k restricted and £6,502k expendable endowment. The Trustees have identified that the end beneficiaries of the Charity are not in any way deprived from the benefit of the Charity's objectives.

The review encompassed the nature of the income streams and the policy adopted by the Trustees, which they consider to be prudent, to distribute the annual investment income of the Charity. The Trustees recognise that should the Inn become unable to fund its scholarships, the Trustees must hold sufficient reserves to ensure the interests of future beneficiaries. The Trustees consider the Charity's expendable endowment fund is suitable for this purpose. Grants are funded from free reserves and income during the year. The policies are reviewed on a regular basis.

FUTURE DEVELOPMENTS
The Trustees of the Denning Fund have reviewed the overall structure and efficiency of the fund and consolidated the investments into one account managed by the Investment Committee and by the investment managers. The Trustees have reviewed the performance of the fund managers and will continue to do so at regular intervals.

INVESTMENT POWERS AND POLICY
In accordance with their powers under the Trust Deed, the Trustees have delegated the management of the portfolio and the investment powers to the Lincoln's Inn Investment Committee.

The Investment Committee meets with the fund managers twice a year and holds two additional meetings to consider the investment manager's report.

INVESTMENT PERFORMANCE
The funds are invested with Legal & General under passive management in pooled funds that track the market; while doing no better than the market, the fund has done no worse.

Legal & General levy charges consist of a flat per scheme charge, plus an ad-valorem charge and a management charge.

LEGAL & GENERAL'S INVESTMENT MANDATE
Legal & General manage the Scheme's assets on a passive basis in their pooled index funds. The distribution of the Scheme's assets is to be maintained in predetermined proportions.

Where possible, cashflows into or out of the fund will be used to maintain the asset distribution within the specified ranges. In addition, switches between asset classes will be implemented should any asset classes move outside their ranges.

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The funds of the Charity comprise of:

i) unrestricted funds, which are expendable in the furtherance of the Fund's objectives.

ii) expendable endowment funds which were created by gifts a number of years ago. In accordance with the terms of the gift the capital fund is to be maintained unless it is required to be spent and the income is treated as unrestricted income. The capital of the fund can be expended at the Trustees' discretion.

iii) restricted funds arise from a historic donation to a fund called the Joan Denning Prize.

In the opinion of the Trustees the Charity's assets are sufficient to meet its commitments.

TRUSTEES' TRAINING AND REMUNERATION
New Trustees are offered appropriate induction and training procedures. All the appointed Trustees are experienced lawyers.

The Charity has no employees and no Trustee received remuneration for their services.

TRUSTEES' RESPONSIBILITIES
The Trustees are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practices (UK-GAAP).

Law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each year which gives a true and fair view of the Charity's financial activities during the year and of its financial position at the end of the year. In preparing accounts giving a true and fair view, the Trustees should follow best practice and:

i) select suitable accounting policies and apply them consistently;

ii) make judgements and estimates that are reasonable and prudent;

iii) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts, and

iv) prepare the accounts on the going concern basis unless it is inappropriate to assume that the charity will continue in operation.

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain the financial position of the charity and allow them to ensure that the accounts comply with applicable law. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of error, fraud and other irregularities. During the year the Trustees appointed new auditors Haysmacintyre LLP.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included in the Charity Commission's website and receive no remuneration.

The Trustees have complied with the duty in s.17 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the Public Benefit requirement under that Act.

Approved by the Trustees on ____________________

and signed on their behalf by

Mr Alan Boyle QC
Chairman of the Trustees

Signed: 25 May 2021

INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES OF THE HONOURABLE SOCIETY OF LINCOLN'S INN
THE DENNING FUND
FOR THE YEAR ENDED 31 DECEMBER 2020

OPINION
We have audited the financial statements of The Honourable Society of Lincoln's Inn Denning Fund for the year ended 31 December 2020 which comprise the Statement of Financial Activities, Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of the Charity's net movement in funds for
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

BASIS FOR OPINION

regulations made or having effect thereunder. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

OTHER INFORMATION

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charity; or
- sufficient accounting records have not been kept; or
- the charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITES OF THE TRUSTEES FOR THE FINANCIAL STATEMENTS

As explained more fully in the trustees' responsibilities statement set out on page 6, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES OF THE HONOURABLE SOCIETY OF LINCOLN'S INN (CONTINUED)
THE DENNING FUND
FOR THE YEAR ENDED 31 DECEMBER 2020

AUDITOR'S RESPNSIBILITES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Based on our understanding of the charity and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations and we considered the extent to which non-compliance might have a material effect on the financial statements. No such area's of non-compliance were identified.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to management 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 regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions;

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.

USE OF OUR REPORT

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.

Haysmacintyre LLP

Haysmacintyre LLP
Statutory Auditors
[date] 13 July 2021

10 Queen Street Place
London
EC4R 1AG

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

THE HONOURABLE SOCIETY OF LINCOLN'S INN
THE DENNING FUND
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Unrestricted Funds	Restricted Funds	Expendable Endowment Funds	2020	2019
		£	£	£	£	£
Income from:						
Donations and Legacies		13,693	-	-	13,693	2,713
Investment income - Fee rebates		3,638	-	-	3,638	4,076
Investment income		146,458	-	-	146,458	192,414
Total Income		163,789	-	-	163,789	199,203
Expenditure on:						
Management & Administration		(240)	-	-	(240)	(60)
Educational Awards	4	(147,701)	-	-	(147,701)	(192,378)
Total Expenditure:		- 147,941	-	-	- 147,941	- 192,438
Net Gain/(loss) on investments			426	180,787	181,213	912,185
Net income/(expenditure)		15,848	426	180,787	197,061	918,951
NET MOVEMENT IN FUNDS		15,848	426	180,787	197,061	918,951
Fund balances brought forward at 1 January 2019		633,130	16,632	6,320,892	6,970,653	6,051,704
Fund balances carried forward at 31 December 2020		648,978	17,058	6,501,678	7,167,713	6,970,654

All the activities of the fund are continuing in both this year and the previous year.

All comparative movements relate to unrestricted funds apart from investment gain which was split to £2,002 to restricted and £910,183 to expendable endowment.

The notes on pages 11 to 13 form part of these financial statements

THE HONOURABLE SOCIETY OF LINCOLN'S INN
THE DENNING FUND
BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
FIXED ASSETS			
Investments	5	7,077,995	6,893,020
CURRENT ASSETS			
Debtors	6	9,494	10,687
Cash at Bank		62,208	50,592
Amounts due from Lincoln's Inn		19,234	16,416
		90,936	77,695
CURRENT LIABILITIES			
Sundry Creditors	7	(60)	(60)
NET CURRENT ASSETS		90,876	77,635
NET ASSESTS		7,168,872	6,970,655
FUNDS	8		
Unrestricted		648,978	633,130
Restricted		17,058	16,632
Expendable Endowment		6,501,678	6,320,892
		7,167,714	6,970,655

Approved by the Trustees on:
and signed on their behalf by:

Mr Alan Boyle QC
Chairman of the Trustees

Signed: 25 May 2021

The notes on pages 11 to 13 form part of these financial statements

THE HONOURABLE SOCIETY OF LINCOLN'S INN
THE DENNING FUND
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. **ACCOUNTING POLICIES**

a) **Accounting Convention**
The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) - (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

b) **Going Concern accounting policy**
The Trustees have considered the impact on the Fund of the COVID 19 pandemic and are confident that the Fund will have sufficient resources to meet its liabilities for at least 12 months from the date of signing this report and as such the accounts have been prepared on a going concern basis.

c) **Income**
All incoming resources are recognised in the Statement of Financial Activities when the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either:

- The charity is aware that probate has been granted.
- Receipt of a legacy in whole or in part, is only considered probable when the amount can be measured reliably
- The estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution
- When a distribution is received from the estate.

Receipt of a legacy in whole or part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution.

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the Trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are solely used for particular areas of the Trust's work or for a specific project. Donations required to be retained as capital in accordance with the donor's wishes are accounted for when probable as "endowments"– permanent or expendable according to the nature of the restriction.

d) **Expenditure**
Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. The irrecoverable element of VAT is included with the item of expenditure to which it relates. Where costs cannot be directly attributable to particular activities they have been allocated to activities on a basis consistent with use of the resources.

Charitable expenditure comprises expenditure donated to Lincoln's Inn toward the awards of the Denning Fund Scholarships.

e) **Funds**
The funds of the charity comprise of:

i) the expendable endowment fund which was created by gifts donated to the charity for general education purposes a number of years ago and is expendable at the discretion of the Trustees.

ii) restricted funds, consisting of donations and legacies received which the donor has earmarked for a specific

iii) unrestricted funds which are expendable in the furtherance of the Fund's objectives.

f) **Investments**
Investments are stated at mid-market value at the balance sheet date.

2. **GOVERNANCE**

The Inn meets the cost of remuneration, for advice and services by the auditors and other professional advisors.

3. **TRANSACTIONS WITH TRUSTEES**

No Trustee, or person related or connected to them has received any remuneration or reimbursement of expenses from the Fund during the current or previous year.

4. **EDUCATIONAL AWARDS**

The Trust paid over dividend income on an as received basis to the Honourable Society of Lincoln's Inn of £148k (2019 £192k), which broadly coincides with the payment dates by Lincoln's Inn to pupil barristers and students of scholarships and awards made.

5. **INVESTMENTS**

	2020	2019
	£	£
Market Value 1 January	6,893,020	5,976,573
Additions at cost	204,263	568,262
Proceeds of disposals	(200,500)	(564,000)
Gains/(Loss) on investments	181,212	912,185
Market Value 31 December	7,077,995	6,893,020
Historical cost 31 December	3,897,435	3,893,672

Indirect transaction costs are incurred through the bid-offer spread on investments within pooled investment vehicles. The amount of indirect costs is not separately provided to the scheme.

Significant investment holdings at market value at 31 December

	2020	2020	2019	2019
	£	%	£	%
L&G UK Equitrack Fund Trust	2,227,516	31.47	2,258,030	32.76
L&G International Index Trust	2,933,080	41.44	2,730,097	39.60
L&G Fixed Interest Trust	1,073,650	15.17	1,150,991	16.70
L&G Emerging Markets	843,749	11.92	753,902	10.94
TOTAL	7,077,995	100.00	6,893,020	100

6. **DEBTORS**

	2020	2019
	£	£
Accrued Income	9,494	10,687

7. **CREDITORS**

	2020	2019
	£	£
Sundry Creditors	60	60

8. **SPLIT OF NET ASSETS BETWEEN FUNDS**

2020	Unrestricted Funds	Restricted Funds	Expendable Endowment Funds	2020
	£	£	£	£
Investments	575,160	-	6,501,678	7,076,838
Net current assets	73,818	17,058	-	90,876
	648,978	17,058	6,501,678	7,167,714

2019	Unrestricted Funds	Restricted Funds	Expendable Endowment Funds	2019
	£	£	£	£
Investments	572,127	-	6,320,892	6,893,018
Net current assets	61,003	16,632	-	77,635
	633,130	16,632	6,320,892	6,970,653

9. RELATED PARTY TRANSACTIONS

The Honourable Society of Lincoln's Inn is one of the four Inns of Court, It is an ancient unincorporated body of lawyers which for five centuries and more have had the power to call to the Bar those of their members who have duly qualified for the rank of degree of Barrister-at-Law.

The fund was established by members or former members of the Honourable Society of Lincoln's Inn and as laid out in its objectives when vacancies arise in the body of Trustees the Council of Benchers of The Honourable Society of Lincoln's Inn hold the power to appoint replacements. The Trustees are otherwise autonomous. The intercompany account between the Inn and the Denning fund includes donations of £3k in to the Inn's bank account, the balance of the account is £19k and will be transferred from the Inn to the Denning fund bank account during 2021. There are no further related parties.

10. FINANCIAL INSTRUMENTS

	2020 £	2019 £
Financial assets at fair value	7,077,995	6,893,020
Financial assets at amortised cost	19,234	16,416
Financial liabilities at amortised cost	60	60
Financial assets at fair value comprise investments in shares		
Financial assets at amortised cost comprise intercompany balances	19,234	16,416
Financial liabilities at amortised cost comprise other creditors		