

We're here for
solicitors when
times get tough.



Trustees' Report and Accounts.

For the year ended 31 December 2021.

The Solicitors' Charity is the operating name of The Solicitors' Benevolent Association a charitable company limited by guarantee, registered in England & Wales. Company number 6601907. Registered Charity number 1124512.

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Chair's Report.

Ginny Cannon
Chair



I was delighted to take over as Chair of The Solicitors' Charity in September 2021, having joined the Board as Chair Elect in March. I found an organisation that had more than survived the pandemic, using the knowledge it gained in that period to continue to adapt the support that it provides to solicitors in need or crisis.

As my predecessor, Matthew Robbins, noted last year, 2020 saw a very large increase in the number of people asking for help. Given the uncertainties of a second year of Covid and the impacts on individuals and businesses we prepared for the possibility of a similar surge of extra requests for help in 2021, particularly as furlough came to an end. In the end, this was not necessary but again we stood ready to assist the profession.

Overall we awarded direct grants and made payments for services for solicitors in need totalling £1,024,218. This is higher than the comparative pre-pandemic figure of £943,342 expended in 2019. Reflecting our increased focus on tailored support for each beneficiary, our expenditure on one-off support awards rose to £330,402 or nearly a third of the total expenditure in support of solicitors in need. £566,038, or 55%, was spent on regular living allowances and the remainder was spent on funding access to advice and support from partner organisations.

In terms of individuals helped, we supported 274 people through direct funding, many with more complex support needs than we have seen previously; 342 solicitors from England and Wales were helped thanks to our funding of Lawcare; and we funded support for a further 60 people through our partnerships with CAM and Renovo.

Among new clients supported in 2021, for the first time in recent years men were in the majority (54%). This reflects a significant and positive change as we have noted, along with sister charities, that men can be less likely to seek help.

77% of the new clients supported in 2021 were under 60 and, for the first time, a majority of new clients supported (54%) identified as black, asian or from another minority ethnic background.

Following the challenges that all charities experienced during the pandemic, 2021 saw a return to more positive financial news. Chief amongst this, law firms donated £912,122 in residual client balances, a vital element in our funding. We are extremely grateful for this support from both longstanding donor firms and the many who have chosen to donate for the first time in 2021. This increase in donations and growth in new support reflects the work we have done to strengthen our marketing and communications. Whilst we are proud of our record of achievement we want to use our healthy resources to do much more.

To plot a path to achieving this ambition, we have begun a strategic review to look at how we might provide more help to more solicitors in need or crisis. This is due to report towards the end of 2022.

We will be helped in this process both by the experience of long serving trustees and the detailed practical knowledge of staff but also by the skills and knowledge of new trustees who joined us during 2021: Andrew Wauchope, Rebecca Litherland and Eugene Farrell. They have already brought refreshing and suitably challenging insights to our discussions, with Andrew taking over as Chair of the Investment, Finance and Audit Committee.



I must also mention Linda Wilson who was recruited alongside our other new trustees in spring 2021 and was due formally to join the Board later in the year. We were shocked and saddened by Linda's sudden and untimely death in August. She had already had a very helpful impact on our operations with her practical knowledge of working in the mental health sphere and I am sure we would have learnt much from her contributions as a trustee.

I would like to thank Adam Parker, whose tenure as first Chair of the Investment, Finance and Audit Committee came to an end in March 2021. Adam had worked hard to ensure that the Committee, with its wide remit, was functioning on a sure footing, scrutinising the 'money' side of our operations.

We have continued to strengthen our governance in other ways, through the year. We commissioned a review of our risk management approach and this provided both comfort that we had been acting appropriately and suggestions, which have been implemented, of how we might further strengthen our processes.

Following competitive tenders for audit services and for an external Data Protection Officer in the last two years, this year we ran a process through which we identified new Investment Managers, with CCLA taking over from Investec towards the end of the year.

We also reviewed the Terms of Reference of all our board committees, ensuring alignment in their structures and processes and refining their purposes in light of the learning from the first few years of their operation. As part of this process, the Nominations Committee has become a Governance Oversight Committee with a wider remit including oversight of board and trustee evaluation processes.

Volunteering as a trustee is a time-consuming activity and I would like to thank all my fellow trustees for their commitment and skilled input over the course of 2021. The part they all play is vital to the good governance of the Charity.

I would also like to thank the dedicated staff team, including new members Paul Norton and Jack Blackwell, for their professional work in 2021. It is, of course, absolutely the case they are central to all that we achieve in support of solicitors in need or crisis.


Ginny Cannon*,
Chair
15 June 2022

*Ginny Cannon is registered as a Director and Trustee at Companies House and with the Charity Commission under her married name, Virginia Salter. The Trustees Report and Accounts are, therefore, signed in that name.

Trustees in office 2021.

Board Officers



Ginny Cannon

Chair; Ex-officio member of all committees

Ginny Cannon joined The Solicitors' Charity as Chair-elect in March 2021 and took over as Chair in September 2021. A retired in-house commercial solicitor, she is a steward of the City of London Solicitors' Company. Chair of the Friends of Moorfields Eye Hospital until 2021, Ginny is also an independent trustee of the Investment Managers' Charitable Trust.



Kirsty McEwen

Honorary Treasurer; Ex-officio member of all committees

Kirsty McEwen is the Honorary Treasurer of The Solicitors' Charity. She is a partner at leading Black Country law firm Higgs & Sons. She specialises in advising charities and not-for-profit organisations, including social enterprises, on all aspects of their operations.

Chairs of Committees



Michael Gillman

Governance Oversight Committee (Chair); Investment, Finance and Audit Committee

Michael Gillman became a The Solicitors' Charity trustee in 2009 and was chairman between 2012 and 2015. He was the senior partner and specialist matrimonial solicitor at Bishop & Sewell LLP. Michael was president of the City of Westminster & Holborn Law Society in 2008.



Christl Hughes

Awards Committee (Chair); Governance Oversight Committee

Christl Hughes was the sixth woman in The Solicitors' Charity's history to be appointed Chairman. A former high street solicitor specialising in contentious business, she is now a trustee for the Gender Identity Research & Education Society, a charity offering support to transgender individuals. Christl became Chairwoman of the Association of Women Solicitors of London in 2021.



Adam Parker

Investment, Finance and Audit Committee (Chair) until March 2021

Adam Parker joined The Solicitors' Charity in 2017 and was the first non-solicitor to become a Trustee. Adam was Head of Midlands Investment Management and a member of the Charity Team at investment firm Tilney.

Chairs of Committees



Karen South

People & Development Committee
(Chair): Awards Committee

Karen South is a consultant and the Practice Manager in the litigation department at Portner Solicitors. Karen's specialisms are employment law and litigation. She also sits as Vice Chair and Child Protection Governor on a school governing body.



Andrew Wauchope

Investment, Finance and Audit Committee (Chair) from March 2021

Andrew is a Chartered Fellow of The Chartered Institute for Securities & Investment and has over 30 years of investment experience including at Quilter Goodison, Gerrard Vivian Grey and Laing & Cruickshank (later UBS). At UBS he was Head of Charities Investment. He performed a similar role at Psigma Investment Management, now Punter Southall Wealth. He has extensive experience as an investment committee chair and finance committee member. He is currently a member of the Court of the Worshipful Company of Ironmongers, a trustee of the Masonic Charitable Foundation, the Sir Halley Stewart Trust and the Accountants Charities as well as being the current Chair of the Harrow Mission Trust.

Board Members



Anthony Cumming

Awards Committee

Anthony Cumming was an equity partner in Lupton Fawcett of Leeds, being a personal injury specialist. He was president of Leeds Law Society in 2003/4 and was chairman of The Solicitors' Charity in 2001.



Karen Matthews

Awards Committee;
People & Development Committee

Karen Matthews joined The Solicitors' Charity in 2014. She is a practising solicitor and a US attorney admitted to the Florida Bar. She is also an Associate of the Institute of Chartered Secretaries. In 2001 she became in-house counsel for an international biotech company based in north-west England.



Tanya Dunbar

Governance Oversight Committee

Tanya Dunbar joined The Solicitors' Charity in 2014. She qualified in 2008, having had a previous career as a Business Development Manager for an Internet Service Provider. Tanya practised as a solicitor at Ashfords LLP until early 2016 when she joined the Post Office as an in-house Commercial Lawyer. She is now the Associate Director, Innovation - Global Data Office at EY.

Board Members



Shams Rahman

Shams Rahman is a solicitor and partner at leading Lincoln's Inn law firm Edwin Coe LLP, specialising in commercial and property related litigation. He is a member of the Law Society and a regular speaker at events promoting law career development and mentoring of law students and young professionals.



Eugene Farrell

Awards Committee

Eugene is a mental wellbeing specialist with more than 30 years of experience. He is the Mental Health Consultancy Lead at AXA Health, providing consultancy to corporate clients. A leader in workplace mental wellbeing, counselling and psychological therapy, he authors articles, provides training and speaks at conferences and roundtables, and is a regular media contributor and webinar producer. He has a keen interest in digital health solutions and testing mental health and wellbeing Apps. He is current Chairperson and Emeritus Member of UK Employee Assistance Professionals Association.



Rebecca Litherland

Awards Committee; Investment, Finance and Audit Committee

Rebecca specialises in welfare benefits law and has significant experience of criminal and family law, as a practitioner and volunteer.



Haroon Qayum

Governance Oversight Committee

Haroon Qayum is a partner and Head of Private Client at Blackhams in Birmingham. Haroon was President of the Cambridgeshire & District Law Society between March 2014 and October 2015.



Tim Cuthbertson

Tim Cuthbertson is a partner in Blackhams, a small firm in Birmingham city centre where he deals with private client and commercial property work. A member of the board since 1980, he served as chair in 2009-10.



Matthew Robbins

Chair and Ex-officio member of all committees until September 2021; Awards Committee

Matthew Robbins was The Solicitors' Charity's Chairman until September 2021. He is Senior Partner at Jasper Vincent solicitors in Southampton and past President of Hampshire Incorporated Law Society (HILS). He was the first solicitor to arrive at the Law Society conference by canoe, from London to Birmingham along the Grand Union canal in aid of The Solicitors' Charity.

Our vision

All solicitors are supported
in times of need or crisis.

Our mission

To **support** solicitors and their dependents with financial, practical and emotional aid in times of need or crisis.

To **collaborate** with our volunteers, partners and charities to ensure our beneficiaries can access the right support.

To **engage** with the profession, sharing our experiences to build awareness of the issues facing solicitors and gain funding for our mission.

Our core values

- Non-judgmental
- Trustworthy
- Engaged
- Collaborative
- Understanding
- Professional

How we live our core values.

Non-judgmental

- We don't judge people or where they find themselves
- We never 'auto exclude' anyone
- We help people to make a fresh start
- We view each case on its individual merits
- We are a conscience of the profession, not its critics

Trustworthy

- We offer confidential support
- We guarantee indemnity when firms donate unclaimed balances
- Our board includes solicitors who champion the interests of the profession
- We are honest in our advice and transparent in the support we provide

Engaged

- We commit to stay ahead of best practice
- We take time to engage with the profession
- We share knowledge with each other and our partners
- We share information online to help

Understanding

- We are human. We take time to understand the person
- We take time to understand life goals
- We listen, research and stay abreast of new information relating to the profession
- We start by listening and work towards achievable goals

Collaborative

- We work with the people we support to enable them to identify & articulate their needs, and to make the changes they want to improve their lives
- We partner with other organisations to provide achievable goals and services for beneficiaries
- We don't work in isolation, aiming instead for ongoing, constructive interaction between the people we support, our volunteers and casework staff
- We listen to the profession and respond to its needs
- We help each other get things done

Professional

- We take pride in our work
- We work to high professional standards
- We keep records of all our conversations
- Our board includes solicitors from across the profession
- We invest in industry-leading software and processes

How we have helped.

£1,024,218

awarded to clients in 2021

2019 £943,342

2020 £1,271,565 (COVID-19)

2021 £1,024,218



34%

of this total was spent on one-off awards, tailored to individuals' personal needs

Some of the things that make a difference to our clients' lives, big and small...



From wheelchairs to heating, our wellbeing awards help solicitors in crisis, deal with everyday issues.

This year we helped...

43

people with debt & financial advice

342

access mental wellbeing support

17

people access career counselling

Who we helped.

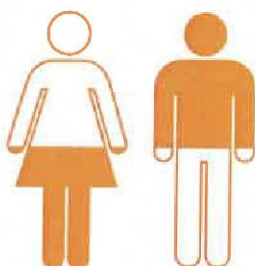
For the first time in 5 years,
more men requested support
than women

46%

Female

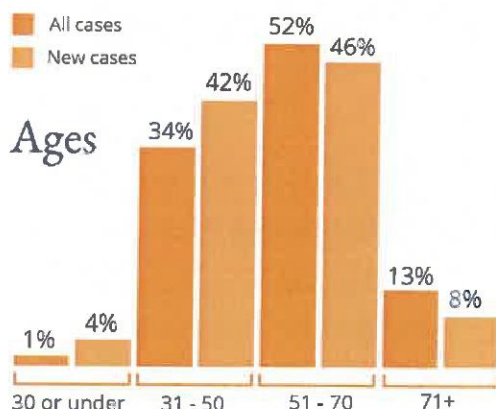
54%

Male



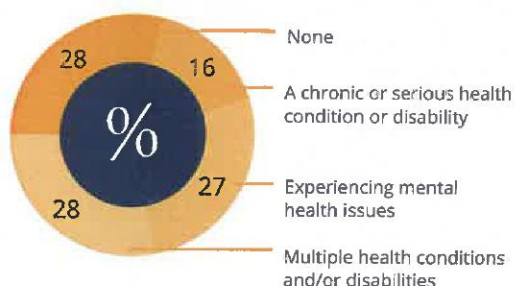
■ All cases
■ New cases

Ages



We supported more people under the age of 60 in 2021 compared to 2020. This could be a knock on effect of more people hearing about us during the pandemic.

Chronic and serious health conditions & disability



This year for the first time the majority of new cases (54%) are from minority ethnic groups.



All cases (new and existing) identifying as:

67% | **14%** | **14%**

White | Asian | Black

6% all other categories



New cases in 2021 identifying as:

46% | **27%** | **23%**

White | Asian | Black

4% all other categories

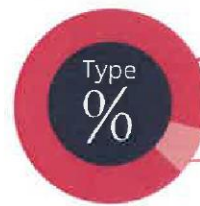
Professional characteristics of those we helped.

57%

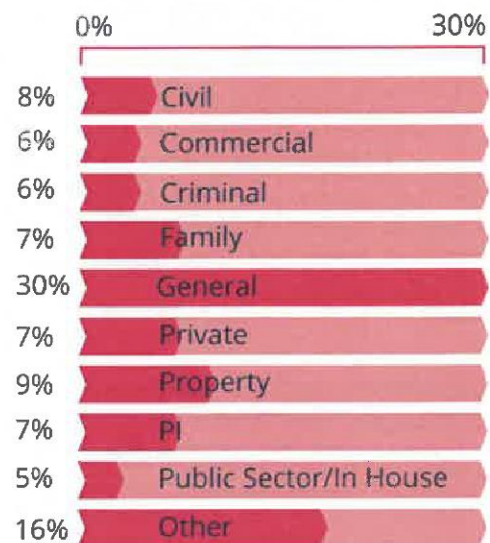
of our primary clients work for small firms, or are sole practitioners

The people we helped came from all across England & Wales

26% London
12% North West
15% South East
13% South West
8% West Midlands
8% Yorkshire and Humberside
5% Wales
6% Eastern
4% North East
2% East Midlands
1% Other



92%
Solicitors
8%
Dependants



Post-qualification Experience

17% | **15%** | **33%** | **35%**
0 - 5 years | 6 - 10 years | 11 - 20 years | 20+ years



Trustees'
Report.

Trustees' Report.

The Solicitors Benevolent Association (SBA), originally instituted in 1858, was incorporated as a charitable company limited by guarantee in 2008. In December 2020, a new operating name of The Solicitors' Charity was adopted.

The Articles of Association specify a minimum of ten trustees as directors of the company, all of them to be members of the company. As of July 2021, when an amendment to the Articles of Association was made, two-thirds of trustees must be, or have been, solicitors. In the event of dissolution of the company each member bears a maximum liability of £10.

In 2021, new trustees with expertise in Mental Health and Wellbeing, Welfare Benefits and Investment Management joined the Board. During 2021, including co-optees, seventeen trustees were in post (reducing to 15 by September 2021). Twelve of the fifteen trustees are solicitors.

The objects of the Charity are to provide relief and assistance for persons in need who are or who have been admitted to the Roll of Solicitors for England and Wales or who are or have been married to or are or have been the civil partner of solicitors so admitted or who are or have been dependents of solicitors so admitted.

Direct financial assistance usually takes the form of a grant. Historically, we also provided help in the form of loans secured against property. In March 2020, Trustees resolved that loan payments would, in future, only be paid in a very limited range of circumstances usually directly to third parties for provision of equipment and services to beneficiaries.

In addition to direct support, The Solicitors' Charity funds the provision of services for beneficiaries from expert partners including Citizens' Advice Manchester (CAM), Renovo, LawCare and Advice Works. Referral and signposting to other sources of help is also used as appropriate to an individual enquirer or applicant's circumstances.

Structure, Governance and Management

The trustees/directors bear overall legal responsibility for the administration of the Charity. It is their responsibility to provide strategic direction to the Charity, to control its affairs, to safeguard its assets, to identify and manage risk and to ensure that the Charity pursues its charitable objects. Trustees are recruited via advertisement and the appointment process is overseen by the Governance Oversight Committee who ensure a fair, inclusive and transparent process. New Trustees can serve a fixed term of two years followed by up to two further terms of four years each.

Trustees are inducted via a tailored process of conversations with their peers, the Chief Executive and staff as well as the provision of key background information and documentation. All new Trustees are offered a mentor for their first year and the opportunity to attend training in the role and duties of a charity trustee. They must undergo data protection training and are required to sign the Trustee Code of Conduct. In addition to individually tailored training sessions, formal training opportunities for all trustees are usually carried out at least once per year by way of an in-person Trustee Away Day (though the pandemic has prevented this in recent years) and through specialised virtual training sessions.

The Articles of Association provide that the trustees shall meet at least four times a year. Day to day management is delegated to the CEO, Nick Gallagher, who works alongside two part-time and five full-time colleagues, totalling 7.6 full-time equivalents (FTE).

The work of the board is supported by four committees. Committee Terms of Reference were reviewed in 2021.

The Chair and Honorary Treasurer are ex-officio members of all committees and each committee has at least three other trustees as members

The **Awards Committee** establishes detailed policy guidelines for award-making that are adopted by the Board. It has oversight of the awarding of grants and, on rare occasions, loans. It meets up to eight times a year and can co-opt experts to assist its deliberations. The staff Casework Team attends meeting to provide insight into the needs of clients. Decisions about awards are subject to carefully considered delegation arrangements that support timely decision making by staff. These delegated arrangements are subject to twice-yearly internal audit as well as annual external audit.

The **Investment, Finance and Audit Committee** (IFAC) scrutinises the work of the Charity's investment managers, the setting of investment and reserves policy, the setting of the annual budget and progress against it and oversees internal audit practice. It also recommends, for decision by the full Board, the appointment of auditors, the approval of the annual accounts and the appointment of investment managers.



The **Governance Oversight Committee** exercises general oversight concerning matters pertaining to the structure, composition and effectiveness of the Board and its committees and in respect of regulatory matters and governance including compliance with best practice.

The **People and Development Committee** focuses on human resource and wellbeing issues for staff and volunteers, including staff and executive remuneration.

Public Benefit

The public benefit of The Solicitors' Charity's work is in providing relief to those in need because of "youth, age, ill-health, disability, financial hardship or other disadvantage" under section 3(1)(j) of the Charities Act 2011. The relevant Charity Commission guidance provides that "it is likely to be charitable to relieve either the poverty or the financial hardship of anyone who does not have the resources to provide themselves, either on a short or long-term basis, with the normal things of life which most people take for granted".

The trustees confirm that they have complied with their statutory duty to have regard to the Charity Commission's guidance on public benefit.

Volunteers

During the pandemic volunteering in support of our clients has been impossible to achieve, given the face-to-face nature of our traditional approach. However, we are grateful to those solicitors who have stood ready to volunteer or who have supported the organisation by volunteering in new ways, such as sharing their insights into the needs of the profession as members of our Reference Panel. We look forward to involving them and others in new volunteering opportunities that are currently under development.



Grant-Making Policy

To receive a direct daily living award or a one-off award for specialist support, applicants must meet The Solicitors' Charity's beneficiary criteria. Applicants are assessed for eligibility using the Joseph Rowntree Minimum Income Standard as the starting point. This looks at the incomes different households require to meet a minimum standard of living broadly accepted in society as decent. Applicants with liquid assets greater than £10,000 are ineligible for financial support.

Referrals to experts for welfare benefits, debt or money advice are usually made immediately on application and are not subject to the financial threshold used for all other awards.

The needs of beneficiaries are considered with a view to ensuring a return to self-sufficiency wherever possible. Where this is not possible, due, for instance, to chronic ill-health, disability or age, longer-term support can be provided. For all beneficiaries, our approach is to support interventions that deliver long-lasting positive change in all aspects of wellbeing – financial, mental and physical, social and professional.

Consideration of applications is overseen by the Awards Committee within their Terms of Reference. A range of decisions, within agreed parameters, is delegated to staff. Delegated awards are kept under review by the Awards Committee and are subject to twice yearly internal audit by a trustee independent of the Awards Committee,

reporting to IFAC and the full board. Both the internal audits of delegated authorities in 2021 were deemed highly satisfactory.

Applicants may be awarded: grants to assist with cost of living; debt relief; support from partner services detailed below; or, in exceptional circumstances, loans secured against property and paid to third parties for the provision of services. The Charity does not usually pay off debt accumulated as a result of periods of study for higher or professional qualifications, nor does it pay off business debt. The Board retains the discretion to act as it sees fit in exceptional circumstances.

Achievements and Performance

The key performance indicators used to measure progress on achieving objectives and delivering strategy can be seen from the statistics below (2020 figures, which were impacted by Covid, in brackets): Grants and loans were paid directly to support 274 (399) primary and secondary beneficiaries.

- A total of £1,024,218 (2020: £1,271,565) was awarded in grants directly to beneficiaries, payments to partner organisations to provide services to beneficiaries and loans converted to grants.
- No Loans were awarded to beneficiaries (2020: £Nil)
- Total funds increased from £24.83m to £26.86m due to Net Funds movement of £2.04m (2020: (£0.9m)) after gains on the investment portfolio of £2.5m (2020: £0.01m).

Collaboration to ensure beneficiaries get the right help at the right time

Working in collaboration with other charities and service providers helps us to deliver more services to our beneficiaries, utilising the expertise that these partners supply.

LawCare – During 2021, LawCare provided emotional support and guidance to 342 (2020: 441) solicitors in England and Wales via its helpline, using funds provided by The Solicitors' Charity. The significantly increased level of funding agreed in 2020 was continued in 2021.

Renovo – 17 (2020: 21) beneficiaries were referred to Renovo for career counselling during 2021. Eligible clients are supported by financial assistance for up to a year whilst they undertake the three-month long course and actively seek a new position.

Citizens Advice Manchester (CAM) – During 2021, The Solicitors' Charity funded 43 (2020: 21) referrals for expert, priority advice on welfare benefits and debt management from the advice centre in Manchester.

In addition, towards the end of 2021 we entered into an agreement with AdviceWorks to provide in-depth across the board money management advice.

Key Management Salaries

The Solicitors' Charity is committed to rewarding its people to recognise their effort and to retain their skills, and to attract new high-calibre staff. The charity believes in the importance of transparency in how it sets pay and is particularly conscious of the need for clarity and openness in setting executive pay. Decisions on pay for all staff are made by the Board of the Charity. All members of the Board, including the Chair, are independent volunteers who bring their skills, knowledge and expertise from outside the organisation to decision-making. A sub-committee of the Board, the People & Development Committee (which is made up of volunteer Board members), scrutinises pay proposals in detail on behalf of the full Board.

Transparency and reporting

The Charity has adopted a pay policy that applies to all staff in the organisation. In line with good practice, the draft policy was shared with staff for comment before trustee approval.

The policy clearly sets out how recommendations on pay increases are to be governed, the parameters to be considered in making decisions about pay, how and when grading and benchmarking of salaries is to be carried out and the importance of independent review in the grading and benchmarking process.

Under the terms of the Pay Policy, decisions on pay are made by the full Board, on the recommendation of the People and Development Committee following scrutiny of a formal annual proposal from the Chair with respect to the CEO and from the CEO for all other staff. Responsibility for the application of the Pay Policy in respect of the CEO lies with the Chair of the Board. Application of the Pay Policy with regards to all other staff lies with the CEO.

Proportionality of executive pay

The Charity considers how proportionate executive pay is both to the external market and in relation to other pay in the organisation. In common with all other roles in the Charity, the CEO's salary is assessed against similar roles in similarly sized organisations within similar sectors and locations, using the benchmarking process outlined in the Pay Policy.

The Charity pays due regard to NCVO and ACEVO good practice guidance on ratios between executive salaries and those of other employees. The Board has agreed a maximum cap of 3:1 between the salary of the CEO and the median of all other salaries in the organisation.

To calculate this ratio the CEO's salary is compared with the median of all other full-time equivalent salaries. Where there is an even number of staff, the average of the two middlemost salaries in the set is used. The ratio of CEO to median staff pay at 1st January 2022 will be 2.4:1.



Executive performance

In common with all staff of the organisation, the CEO is subject to a 6-month probationary period. Successful completion of the CEO's probationary period is assessed by the Chair and one other member of the Board.

Annual KPIs for the CEO are agreed between the Chair and the CEO and shared with all trustees and staff. Performance is monitored in regular meetings between the Chair and CEO and a formal annual performance appraisal is carried out, usually by the Chair and one other member of the Board.

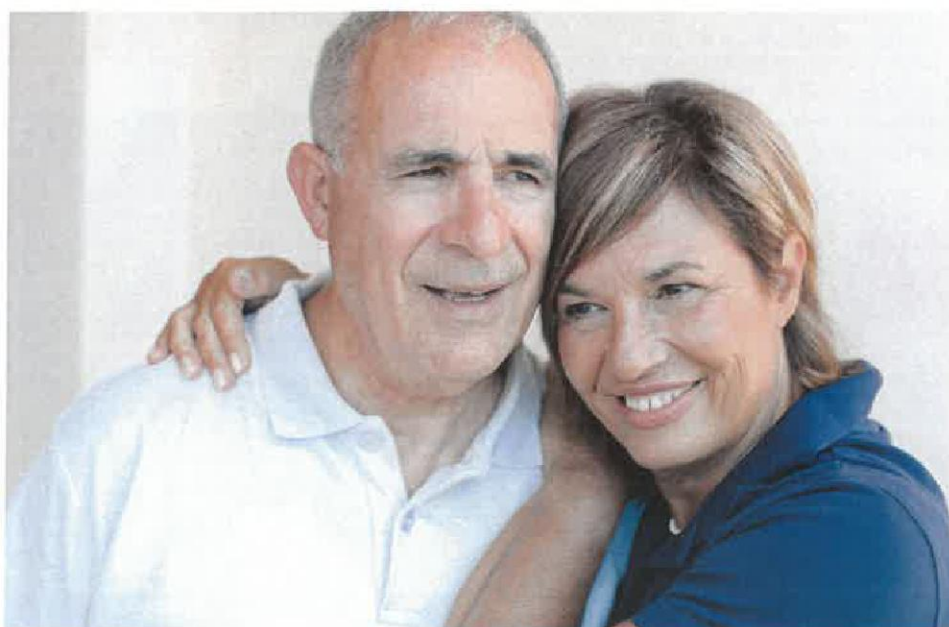
In adopting its current pay policy, the Charity has chosen not to use individual performance related pay, though organisational performance is a factor considered in setting across the board pay rises.

Recruitment and retention

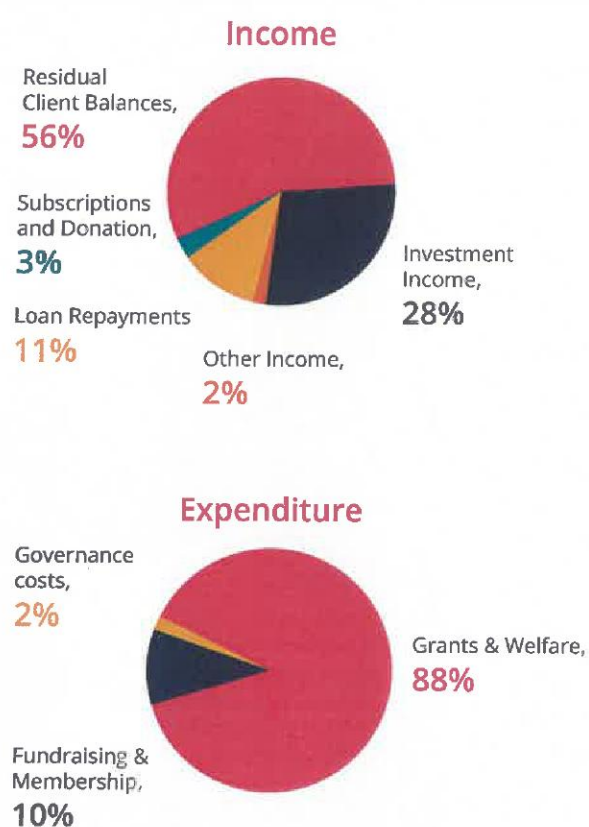
Since attracting high-calibre staff who can help grow and develop the Charity is important to the organisation, the Charity recognises the need to be competitive in the labour market whilst paying due regard to prudent use of charitable funds.

The Pay Policy sets out an approach to benchmarking that ensures salaries for all staff are commensurate with those of people performing similar roles in similarly sized organisations within similar sectors and locations. Taking account of affordability, it is the aim of the Charity to pay all salaries including that of the CEO at, or above, the median of the benchmarked salary range for each role. However, salaries will not normally be paid above the level of the third quartile of the relevant benchmark.

The Charity also offers a pension scheme with staff contributions matched by the employer as well as a holiday leave entitlement above statutory guidelines.



Financial Review



Income	2021	2020
Subscriptions and Donations	55,425	153,558
Legacies	2,922	12,664
Residual Client Balances	912,122	610,965
Investment Income	464,662	429,104
Other Income	27,500	36,500
Loan Repayments	188,484	272,494
	1,651,115	1,515,285

(Loan Repayments and Advances are not included in the SOFA)

Expenditure	2021	2020
Grants and Welfare	1,679,132	1,875,336
Fundraising & Membership	205,536	222,738
Governance Costs	30,401	38,431
Loan Advances	-	20,127
	1,915,069	2,156,632

Total income for the year 2021 (excluding loan repayments) amounted to £1,462,631 {2020: £1,242,791}. Total expenditure for the year (excluding loan advances) amounted to £1,915,069 {2020: £2,136,505}. The consequent net expenditure before investment gains and losses was (£452,438) (2020: (£893,714)).

Other recognised gains and losses included gains on investments amounting to £2,494,730 {2020: £10,441}. When added to the net income and the funds brought forward, total net assets have increased to £26,869,337 {£24,827,045}. The principal net assets are the investment portfolio

of £5,670,304 {£19,430,141} and the secured loans to beneficiaries of £3,928,526 {£4,113,820}.

The principal source of funding for The Solicitors Charity is conditional donations of residual client balances from solicitors' firms. The Solicitors Regulation Authority allows for donation of client balances to charity in the event the client is untraceable. The Solicitors' Charity offers an indemnity for all client balances received. The Charity holds sufficient funds to repay any client balances transferred to it under the Solicitors Account Rules. The balances are used to build The Solicitors' Charity's investments to produce income to fund charitable

grants or for funding occasional interest free loans to beneficiaries secured on property. They are not available directly to fund the general activities of the Charity until 15 years after receipt.

The Charity continues to receive donations from individual solicitors, firms, and law societies. These are gratefully received, and the income is utilised in year to make a positive difference to the lives of our beneficiaries through grants, support commissioned from partners and occasional secured loans. The Solicitors' Charity does not use professional fundraisers to raise funds.

Investment Policy

The investment objectives are to achieve a balanced return in terms of capital growth and income from a portfolio of investments with a medium / high risk profile. The total return in 2021 was 14.9% (2020, 2.25%). The investment policy is reviewed annually.

Our investments are a significant asset and their management requires appropriate skill. During 2021, Investec Wealth Management served as investment managers. Following a competitive tender process carried out in-year, CCLA were appointed as new investment managers from late December 2021.

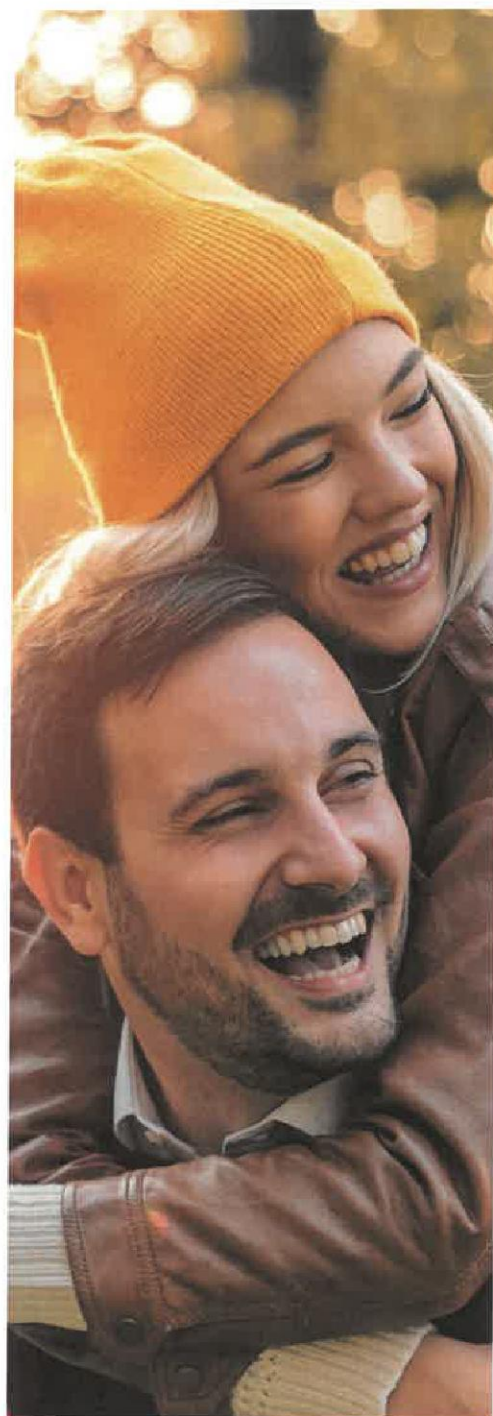
The Investment, Finance and Audit Committee (IFAC) is chaired by a trustee with investment management expertise and the investment managers meet formally with that Committee twice yearly.

Reserves

The trustees consider that targeting a level of free reserves of three years current annual expenditure is appropriate. Beneficiaries have historically been supported for an average of 7.8 years; the reserves allow for continued support to beneficiaries if the Charity's income is reduced and action in time of major crisis – such as the Covid-19 pandemic.

Free reserves at the end of 2021 were £ 6,565,856 (approximately 24% of the Charity's overall wealth). These exclude endowment funds, tangible fixed assets, long term liabilities, designated funds and funds which have been applied to beneficiary loans. Three years' expenditure is £5.88m.

The Charity had planned for a further wave of pandemic related need in 2021 and hence had budgeted for free reserves to be below the targeted level in the medium-term. However, the additional budget was not required and, combined with strong investment performance, free reserves were ahead of target at the end of 2021. Trustees have begun a review of the historic approach to reserves and this will be concluded in 2022.



Risk Management

The trustees commissioned an external review of the Charity's approach to risk management in 2021. The review was positive about the approach to risk in place and made suggestions further to strengthen processes and presentation to trustees

The trustees revised risk management strategy comprises:

- Bi-annual review by the Board of the risks and uncertainties that the Charity faces, taking half the risks at each meeting.
- All risks are scored and categorised using a 'treat, transfer, tolerate' approach.
- Safeguarding is a standing item at all Board Meetings
- Policies, systems and procedures are established to mitigate those risks identified in the bi-annual review; and
- Procedures are implemented designed to minimise or manage any potential impact on the Charity should those risks materialise.
- The full risk register is available to all trustees at any time and committees also consider risks in their areas of responsibility.
- The CEO and the Operational Manager use the Risk Register as a living document informing operations.

Principal risks and their management are set out below:

Severe ongoing loss of income	<ul style="list-style-type: none"> • Investment management tender carried out in 2021 • IFAC meets quarterly to review financial position and monthly management accounts produced • Investment managers attend IFAC twice a year • Review of approach to reserves, funds and spending rules under way • Marketing plan incorporates RCB generation as key target
Data Protection and GDPR Compliance	<ul style="list-style-type: none"> • Policy and processes in place reviewed by external DPO • Regular advice and guidance from DPO • Staff and trustee training in Data Protection carried out regularly
Software security	<ul style="list-style-type: none"> • Audit of all systems carried out in 2020 by external cyber security specialists • All recommendations from audit implemented • Regular guidance updates from cyber security specialists followed up with IT service providers • Specific guidance also proactively sought
Quality of Board decision making and effectiveness	<ul style="list-style-type: none"> • Succession planning informed by skills audit for Board and sub-committees. • New trustees with specific expertise recruited in 2021 • Committee ToRs reviewed in 2021 • Governance Oversight Committee established • Development of board appraisal mechanisms underway

The trustees are satisfied that the major risks to which the Charity is exposed have been identified and that systems and procedures have been established to manage them successfully.

Future Plans

During 2022 we will undertake a strategic review which will look at how we can do more with our healthy resources. Besides the outputs of the strategy review, key deliverables in 2022 include

- Continuing to grow the number and range of people we support.
- Growing income by extending the number of firms donating RCBs
- Widening the support we offer to solicitors in need, aligned with support from partner organisations
- Operationalisation of our new CRM system.
- Creation and operationalisation of a volunteering development plan
- Widening our supporter base
- Review of our IT service provision

Trustees' responsibilities in respect of the preparation of the accounts

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the Accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then consistently apply them;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable Company will continue in business.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.



Statement as to disclosure of information to the Auditors

In so far as the trustees are aware:

- there is no relevant audit information of which the charity's auditor is unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Accounting Principles

This report has 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 FRS 102" applicable in the UK and Republic of Ireland published in October 2019

Approved by the Board of Trustees on 15 June 2022 and signed on its behalf by



Virginia Salter, Chair

Independent auditor's
report to the members
of the Solicitors' Benevolent
Association Limited.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SOLICITORS'
BENEVOLENT ASSOCIATION LIMITED**

Opinion

We have audited the financial statements of the Solicitors Benevolent Association Limited (the 'charitable company') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 charitable company'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 other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Trustees are responsible for the other information contained within the 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. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Our assessment focussed on key laws and regulations the Charitable Company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, Charities Act 2011, Charities (Protection and Social Investment) Act 2016, taxation legislation, data protection, anti-bribery and employment legislation.

We are not responsible for preventing irregularities. Our approach to detecting irregularities included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the Charitable Company and how the Charitable Company is complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the Charitable Company's control environment and how the Charitable Company has applied relevant control procedures, through discussions with Trustees and other management and by performing walkthrough testing over key areas;
- obtaining an understanding of the Charitable Company's risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charged with governance throughout the year; and
- performing audit testing to address the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

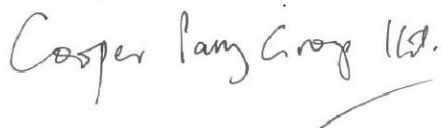
Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Glen Bott FCA (Senior statutory auditor)

for and on behalf of

Cooper Parry Group Limited

Chartered Accountants Statutory Auditor

Sky View

Argosy Road

East Midlands Airport

Castle Donington

Derby

DE74 2SA

Date: 15 June 2022



Supporting
The Solicitors' Charity.

Supporting The Solicitors' Charity

Annual Donations

Individual solicitors can support The Solicitors' Charity by making one-off or regular donations. Law firms can also make regular donations on behalf of their partners and employed solicitors as can other solicitors' organisations.

Payments of £250 and above in 2021 included the following:

Firm & other solicitors' organisations Donations

	£
City of London Solicitors' Company	2,500
London Solicitors' Litigation Association	1,000
Browne Jacobson LLP	750
Royds Withy King Solicitors	500
Hegarty Solicitors	460
Newland Solicitors Ltd	425
Bond Pearce LLP Solicitors	390
Seymours Solicitors	350
Gillhams Solicitors	300
Tozers Solicitors	275
Cartmell Shepherd Solicitors	250
The Merriman Partnership	250

Trusts & Foundations

Generous donations were also received from:

	£
The Pritt Fund*	16,000
HM Hubbard Will Trust	5,000
The Charles Russell Speechlys Foundation	5,000
Mills & Reeve Charitable Trust	1,500

*The Pritt Fund is administered by The Law Society Liverpool. We are grateful for the society's ongoing support.

Residual Client Balances

Solicitors may transfer unclaimed balances in their firm's client account on a conditional basis, in the knowledge that The Solicitors' Charity retains substantial reserves which would enable repayment of the balance if claimed by the person entitled. Solicitors' Regulation Authority approval is required for transfer of individual sums over £500.

Residual Client Balances are a large part of The Solicitors' Charity's income, and we are grateful to all firms who send their client balances to us.

Local Law Societies

Donations were gratefully received from the following

Law & Notary Societies:

	£
Devon & Somerset Law Society	1,750
Bournemouth & District Law Society	1,000
Cornwall Law Society	1,000
Halifax Incorporated Law Society	1,000
Leicestershire Law Society	500
Cardiff District Law Society	250
Notaries Society	250



Statement of Financial Activities.

Statement of Financial Activities
For the year ended 31 December 2021
(Incorporating the income and expenditure account)

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2021 £	Total Funds 2020 £
INCOME						
Donations and Legacies	3	970,469	27,500	-	997,969	813,687
Investment Income	5	464,662	-	-	464,662	429,104
Total Income		1,435,131	27,500	-	1,462,631	1,242,791
EXPENDITURE						
Raising Funds	6	197,640	-	7,896	205,536	222,738
Charitable Activities	7	1,682,033	27,500	-	1,709,533	1,913,767
Total Expenditure		1,879,673	27,500	7,896	1,915,069	2,136,505
NET EXPENDITURE						
before gains on investments		(444,452)	-	(7,896)	(452,438)	(893,714)
Net gains on Investments	12	1,891,012	-	603,718	2,494,730	10,441
NET MOVEMENT IN FUNDS		1,446,470	-	595,822	2,042,292	(883,273)
RECONCILIATION OF FUNDS:						
Funds brought Forward		18,818,971	-	6,008,074	24,827,045	25,710,318
TOTAL FUNDS CARRIED FORWARD		20,265,441	-	6,603,896	26,869,337	24,827,045

The Statement of Financial Activities includes all gains and losses recognized in the financial year.

All income and expenditure derive from continuing activities.

The notes on pages 32 to 41 form part of these accounts



Statement of Cash Flows.

Statement of Cash Flows
For the year ended 31 December 2021

	Note	Total Funds 2021 £	Total Funds 2020 £
Net Cash (used in)/ provided by operating activities	22	(842,600)	(784,930)
Cashflows from investing activities:			
Interest and dividends	5	464,662	429,104
Purchase of investments (excluding cash equivalents)	12	(1,944,675)	(4,387,138)
Proceeds from sale of investments	12	18,199,242	4,404,912
Net Cash provided by/(used in) investing activities		16,719,229	446,878
Change in cash and cash equivalents in the year		15,876,629	(338,052)
Cash and cash equivalents brought forward		1,493,493	1,831,545
Cash and cash equivalents Carried forward	23	17,370,122	1,493,493



Balance
Sheet.

Annual Accounts 2021

Balance Sheet as at 31 December 2021

	Note	Unrestricted Funds £	Endowments Funds £	Total Funds 2021 £	Total Funds 2020 £
Fixed Assets					
Tangible Fixed Assets	11	179,841	-	179,841	190,980
Investments	12	-	5,670,304	5,670,304	19,430,141
Secured loans to beneficiaries		3,928,526	-	3,928,526	4,113,820
		4,108,367	5,670,304	9,778,671	23,734,941
Current Assets					
Debtors	13	135,256	-	135,256	143,150
Cash and cash equivalents	23	16,436,530	933,592	17,370,122	1,493,493
		16,571,786	933,592	17,505,378	1,636,643
Creditors falling due within one year	14	(405,104)	-	(405,104)	(533,863)
Net current assets		16,166,682	933,592	17,100,274	1,102,780
Total Assets less Current Liabilities					
		20,275,049	6,603,896	26,878,945	24,837,721
Creditors falling due After more than one year	15	(9,608)	-	(9,608)	(10,676)
Net Assets		20,265,441	6,603,896	26,869,337	24,827,045
Funds					
Unrestricted Funds					
General Fund	19	7,436,736	-	7,436,736	6,897,050
Residual Client Balances					
Undesignated Fund	19	3,227,879	-	3,227,879	3,227,879
Designated Fund	19	9,600,826	-	9,600,826	8,694,042
Endowment Funds	18	-	6,603,896	6,603,896	6,008,074
Total Funds		20,265,441	6,603,896	26,869,337	24,827,045

The notes on pages 32 to 41 form part of these accounts. Solicitors Benevolent Association Limited
Registered company number: 6601907

Registered charity number: 1124512

These accounts on pages 29 to 41 were approved by
the Board of Trustees and authorised for issue on
15 June 2022 and signed on its behalf by:

Virginia Salter, Chair

Kirsty McIlwen, Honorary Treasurer



Notes to
the Accounts.

**Notes to the Accounts
for the year ended
31 December 2021**

1. Accounting Policies

The Solicitors' Benevolent Association, operating as The Solicitors' Charity, is a company limited by guarantee, incorporated in England and Wales. The principal activity of the charity is to provide relief and assistance to enrolled and previously enrolled solicitors and their dependents. The financial statements are presented in Sterling and this is the functional currency of the Charity. The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards. In preparing the financial statements the Charity follows best practice as set out in the Statement of Recommended Practice: 'Accounting and Reporting by Charities' 2019 (SORP), the Financial Reporting Standard applicable in the United Kingdom and Ireland (FRS 102) and the Charities Act 2011 and Companies Acts 2006.

A summary of the more important accounting policies, which have been applied consistently, is set out below.

- (a) All income is recognised once the Charity has entitlement to the income, there is sufficient certainty of receipt and it is probable that the income will be received, and the amount of income receivable can be measured reliably.
- (b) Life subscriptions are credited to a deferred income account in the balance sheet when received. One tenth of the balance of this account is credited each year to income (see note 15).
- (c) Investment income is accounted for on an accruals basis.
- (d) Grant awards are communicated to beneficiaries immediately. These are frequently agreed to be payable over a period, but the full cost including unpaid awards is recognised in expenditure immediately.
- (e) Direct costs are allocated to the appropriate heading in the SOFA as follows:
 - 1. Raising Funds comprises advertising relating to fund raising, business development, membership, and event costs.
 - 2. Charitable activities comprises grants to individual beneficiaries, welfare, advertising directed at beneficiaries and associated legal costs. It also includes Governance costs comprising costs associated with constitutional and statutory requirements. Support costs comprises the apportionment of common office costs between the fund-raising activities and the charitable activities, in proportion to the staff in each of these areas.
- (f) Freehold land is not depreciated but the freehold building is written off in equal instalments over 50 years.
- (g) Office equipment costing less than £500 is not capitalised but is written off on acquisition through the Statement of Financial Activities. Furniture and Equipment is depreciated over ten years. IT equipment is depreciated over three years.
- (h) Fixed asset investments are stated at closing mid-market value at the balance sheet date. Movement in the carrying value of any investment is treated as unrealised, except in the year of disposal when the surplus or loss on disposal is shown as realised and represents the difference between either the brought forward carrying value, or cost, if purchased in the year, and disposal proceeds. Partial disposals are accounted for using average book value. Any gain or loss on revaluation is taken to the SOFA. All gains and losses are taken to the SOFA as they arise. Realised and unrealised gains are combined in the SOFA and are shown separately in note 12.
- (i) Cash and cash equivalents are cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.
- (j) Secured Loans are made to beneficiaries where the beneficiary has assets which might enable repayment on the sale of those assets. New loans are made infrequently and only in circumstances where payments against the loan can be made directly to third parties for services provided to the beneficiary. Loans are recognised when paid, and any outstanding commitment is noted in the accounts. The loans, which are protected by a notice at the Land Registry are included in the balance sheet as fixed assets. Unsecured loans are included in the balance sheet as debtors at their estimated recoverable value.
- (k) Details of the nature and purpose of each fund is set out in notes 18, 19 and 20.
- (l) The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction values and subsequently measured at their settlement value.
- (m) In applying the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. These are based on the most reliable evidence at the time and are reviewed regularly. The key estimates and assumptions made in these accounts are the provision for irrecoverable loans and the allocation of support costs between activities.
- (n) The charitable company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charitable company. The annual contributions payable are charged to the Statement of Financial Activities.
- (o) Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price.

Notes to the Accounts
for the year ended
31 December 2021
Continued

Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2020 £
2. Previous Year Statement of Financial Activities Analysis				
INCOME				
Donations and Legacies	777,187	36,500	-	813,687
Investment Income	429,104	-	-	429,104
Total Income	1,206,291	36,500	-	1,242,791
EXPENDITURE				
Raising Funds	218,786	-	3,952	222,738
Charitable Activities	1,877,267	36,500	-	1,913,767
Total Expenditure	2,096,053	36,500	3,952	2,136,505
NET INCOME/(EXPENDITURE)				
before other recognised gains and losses	(889,762)	-	(3,952)	(893,714)
Other recognised gains and losses				
Realised loss on investment assets	(450,480)	-	(137,416)	(587,896)
Unrealised gains on investment assets	458,480	-	139,857	598,337
NET MOVEMENT IN FUNDS	(881,762)	-	(1,511)	(883,273)
Funds brought forward	19,700,733	-	6,009,585	25,710,318
TOTAL FUNDS CARRIED FORWARD	18,818,971	-	6,008,074	24,827,045

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2021 £	Total Funds 2020 £
3. Donations and Legacies					
Annual subscriptions and Donations	54,357	-	-	54,357	152,372
Life subscriptions (see note 15)	1,068	-	-	1,068	1,186
Legacies	2,922	-	-	2,922	12,664
Other charities (see note 20)	-	27,500	-	27,500	36,500
Residual client balance donations (see note 19)	912,122	-	-	912,122	610,965
	970,469	27,500	-	997,969	813,687

Total Client Balances received from Jasper Vincent, where Solicitors Benevolent Association Trustee/Chair Matthew Robbins is a partner, was £714.70 (2020: £Nil). No Client balances were received from KPM Solicitors (2020: £1,696). Solicitors Benevolent Association Trustee Karen South is a Director in the firm.

Notes to the Accounts
for the year ended
31 December 2021
Continued

	Unrestricted Funds	Total Funds 2021	Total Funds 2020
	£	£	£
4. Fundraising Activities			
Events	-	-	-
5. Investment Income			
Income from listed investments	464,365	464,365	427,388
Interest on cash deposits	297	297	1,716
	464,662	464,662	429,104

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2021	Total Funds 2020
	£	£	£	£	£
6. Raising Funds					
Costs of raising voluntary income					
Business development and advertising	66,510	-	-	66,510	167
Repayments of residual client balance donations (see notes 18 and 19)	5,338	-	7,896	13,234	6,007
Investment portfolio management fees	88,822	-	-	88,822	77,797
Salary costs	11,829	-	-	11,829	38,909
Support costs (see note 10)	25,141	-	-	25,141	99,858
	197,640	-	7,896	205,536	222,738

	Unrestricted Funds	Restricted Funds	Total Funds 2021	Total Funds 2020
	£	£	£	£
7. Charitable Activities				
Grants to beneficiaries				
Cost of living allowances	538,538	27,500	566,038	902,256
Supplementary, special and miscellaneous grants	330,402	-	330,402	255,369
LawCare	110,000	-	110,000	90,000
Citizens Advice Manchester	7,920	-	7,920	4,980
Renovo Fees	9,858	-	9,858	18,960
	996,718	27,500	1,024,218	1,271,565
Welfare salaries, travel, admin and legal costs	257,497	-	257,497	212,609
Support costs (see note 10)	397,417	-	397,417	391,162
Governance costs (see note 8)	30,401	-	30,401	38,431
	1,682,033	27,500	1,709,533	1,913,767

Direct grants and other payments in support of beneficiaries totalled £1,024,218 (2020: £1,271,565). This figure includes no provisions and write-offs against repayments of secured loans (2020: £36,254). In addition, secured loans advanced to beneficiaries were £Nil (2020: £20,127). Repayments of secured loans totalling £186,334 (2020: £269,119) and unsecured loans totalling £1,820 (2020: £1,820) were received.

Notes to the Accounts
for the year ended
31 December 2021
Continued

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
8. Governance Costs				
Auditors' remuneration - audit services	9,900	-	9,900	11,577
Consultancy incl. Trustee recruitment	17,439	-	17,439	24,000
Cost of Trustees' meetings and travel	3,062	-	3,062	2,854
	30,401	-	30,401	38,431

Expenses reimbursed to 3 Trustees (2020:3) for travel amounted to £1,121 (2020: £943). No other reimbursements were made to Trustees. Consultancy incl. Trustee recruitment cost £17,439 (2020: £24,000)

	Staff Costs £	Other Costs £	Total 2021 £	Total 2020 £
9. Total Expenditure				
Raising Funds (see note 6)	26,912	178,624	205,536	222,738
Charitable activities (see note 7)	425,212	1,284,321	1,709,533	1,913,767
	452,124	1,462,945	1,915,069	2,136,505
Staff costs				
Wages and salaries			388,160	369,029
Social security costs			42,603	32,249
Pension costs			18,801	18,112
Staff Training Costs			2,560	4,188
			452,124	423,578
Other costs				
Grants to beneficiaries			1,024,218	1,271,565
Premises, equipment and administrative			169,158	245,194
Business development, advertising, legal, audit and trustee expenses			256,335	190,161
Repayments of residual client balances (see notes 18)			13,234	6,007
			1,462,945	1,712,927

Employees who received emoluments:	2021	2020
Above £90,000	1	-
£80,001 to £90,000	-	1
£70,001 to £80,000	-	-
£60,001 to £70,000	-	-

The average monthly head count was 7.4 staff (2020: 6.8), and the average monthly number of employees on a full time equivalent basis was:

	2021	2020
Beneficiary welfare	3.4	2.8
Fundraising, membership, and publicity	0.2	1.0
Management and administration	3.8	3.0
	<u>7.4</u>	<u>6.8</u>

The total emolument the CEO received in 2021 was £113,190 (2020: £84,133). Of this salary was £107,800 (2020: £80,000) and included backpay in respect of 2020 and 2019 of (£3,900). The employer pension contribution was £5,390 (2020: £4,133) which included payments in respect of 2020 and 2019 of (£1,390). No other employee received an emolument greater than £60,000.

**Notes to the Accounts
for the year ended
31 December 2021
Continued**

The board of directors, who are the Charity's trustees, and the Chief Executive comprise the key management personnel of the charity in charge of directing, controlling, and operating the Charity. All trustees give of their time freely and no trustee received remuneration in the year. Details of trustees' expenses are disclosed in note 8 to the accounts.

Charities are encouraged to report not just figures but also pay ratios against median salaries. The ratio of the CEO's salary when compared to the median salary is 2.4:1. As some staff are part-time, the ratio remains the same as 2.4:1 after adjustment to equivalent full-time salaries.

Staff pay is founded on the principle that the Board of The Solicitors' Charity wishes to attract high calibre staff capable of contributing actively to the drive to professionalise the charity in everything that it does. The trustees' approach to pay is set out in the 2021 Trustees Report.

The Solicitors' Charity has Indemnity Insurance costing £2,753 (2020 : £2,270) to protect the charity from loss arising from the neglects or defaults of its trustees, employees or volunteers, and to indemnify the trustees, officers and volunteers against the consequences of any neglect or default on their part.

	2021 £	2020 £
10. Support Costs		
Breakdown of support costs		
Management and administrative salaries	253,400	245,826
Office accommodation and administration costs	169,158	245,194
	422,558	491,020
Allocation of support costs		
Charitable activities	397,417	391,162
Costs of raising voluntary income	25,141	99,858
	422,558	491,020

Support costs are allocated between Charitable activities and Costs of raising voluntary income in proportion to direct salary costs incurred in each area. The apportionment represents 213% of direct salary costs (2020: 257%).

Support costs represent 41% (2020: 38%) of grants and loans made to beneficiaries.

	Freehold Land £	Freehold Buildings £	Furniture & Equipment £	Total £
11. Tangible Fixed Assets				
Cost b/f at 1 January 2021	100,000	172,161	57,985	330,146
Additions in the year	-	-	2,109	2,109
Cost c/f at 31st December 2021	100,000	172,161	60,094	332,255
Depreciation b/f at 1 January 2021	-	(110,114)	(29,052)	(139,166)
Depreciation charge for the year	-	(3,443)	(9,805)	(13,248)
Depreciation c/f at 31 December 2021	-	(113,557)	(38,857)	(152,414)
Net book value at 31 December 2021	100,000	58,604	21,237	179,841
Net book value at 31 December 2020	100,000	62,047	28,933	190,980

There were no capital commitments (2020 : £nil).

Notes to the Accounts
for the year ended
31 December 2021
Continued

	2021 £	2020 £
12 Fixed Asset Investments		
Quoted investments		
Market value at 1 January	19,430,141	19,437,474
Additions	1,944,675	4,387,138
Disposals	(18,199,242)	(4,404,912)
Net realised (losses)/gains	2,043,066	(587,896)
Net unrealised gains	451,664	598,337
Market value at 31 December	5,670,304	19,430,141
Historical cost as at 31 December	3,603,524	14,616,260
 Investments analysis at 31 December		
UK Fixed Interest	303,479	958,036
Overseas Fixed Interest	240,928	795,434
UK Equities	1,324,729	4,997,272
Overseas Equities	2,898,014	10,213,424
Property and Other	903,154	2,465,975
	5,670,304	19,430,141

During 2021 we undertook a review of investment managers. This resulted in a decision to move The Charity's investment portfolio from Investec to CCLA. The sale of investments and transfer of assets to the new Investment Managers was underway but not completed at the Balance Sheet date. As a result, we held a large amount of cash on this date.

	Unrestricted Funds £	Permanent Endowment Main Fund £	Residual Client Balance Fund £	Total Funds 2021 £	Total Funds 2020 £
Gains on Investment Assets					
Realised (losses)/gains on disposals	1,548,649	169,399	325,018	2,043,066	(587,896)
Unrealised gains (see note 21)	342,363	37,449	71,852	451,664	598,337
	1,891,012	206,848	396,870	2,494,730	10,441

Gains or Losses on Investment Assets during the year are allotted to the Permanent Endowment Funds in the proportion that the opening balance bears to Total Funds, and the balance is allocated to Unrestricted Funds.

	2021 £	2020 £
13. Debtors		
Income tax recoverable	676	676
Unsecured loans to beneficiaries	4,724	6,524
Prepayments	27,881	19,006
Other debtors	101,975	116,944
	135,256	143,150

Unsecured loans to beneficiaries have no predetermined repayment date and accordingly may not be repaid within twelve months of the balance sheet date.

Notes to the Accounts
for the year ended
31 December 2021
Continued

	2021	2020
	£	£
14. Creditors: amounts falling due within one year		
Trade creditors and accruals	66,069	149,781
Unpaid beneficiary awards	308,356	371,317
Other tax and social security	30,679	12,765
	405,104	533,863

	2021	2020
	£	£
15. Creditors: amounts falling due after more than one year		
Life subscriptions - Balance at 1 January	10,676	11,862
Received during the year	-	-
	10,676	11,862
Transferred to income	(1,068)	(1,186)
Balance at 31 December	9,608	10,676

16. Contingencies and Commitments

The Solicitors' Charity has a contingent liability to return any part of residual client balance donations received to contributing firms. On 31 December 2021, the total received net of repayments amounted to £16,498,999 (2020: £15,600,111) of which sums received between 1st March 2013 and 31st December 2015 totaling £3,206,269 excluding investment gains and losses (2020: £ 3,214,899) are held in a Permanent Endowment Fund (see notes 17 and 18).

At 31 December 2015 (more than 6 years ago) residual client balance donations were £9,810,415 (At 31/12/14 £8,798,537).

At 31 December 2006 (more than 15 years ago) residual client balance donations were £4,009,900 (At 31/12/05 £3,569,904).

There was no commitment to pay secured and unsecured loans which have been authorised but not yet paid (2020: £24,873).

17 Analysis of Net Assets between Funds (Current Year)

2021: The Endowment Fund comprises solely of investments and cash balances. All other assets are included in the General Fund.

Analysis of Net Assets between Funds (Prior Year)

2020: The Endowment Fund comprises solely of investments. All other assets were included in the General Fund.

	Main Fund	Permanent Endowment Residual Client Balance Fund	Total Funds
	£	£	£
18 Endowment Funds (Current Year)			
At 1 January 2021	2,058,507	3,949,567	6,008,074
Movements - Residual Client Balance Repayments	-	(7,896)	(7,896)
- Investment Gains	206,848	396,870	603,718
At 31 December 2021	2,265,355	4,338,541	6,603,896
Endowment Funds (Prior Year)			
At 1 January 2020	2,057,671	3,951,914	6,009,585
Movements - Residual Client Balance Repayments	-	(3,952)	(3,952)
- Investment Gains	836	1,870	2,441
At 31 December 2020	2,058,507	3,949,567	6,008,074

**Notes to the Accounts
for the year ended
31 December 2021
Continued**

Gains or losses on Investment Assets during the year are allocated to the Permanent Endowment Fund in the proportion that the opening balance bears to Total Funds, and the balance is allocated to Unrestricted Funds.

The Main Fund - This was created during the years ended 31 December 1995 and 1996 when with Charity Commission approval 14 small charities forming part of the SBA Common Investment Fund were transferred to the SBA General Fund. The permanent endowment value included within these charities was confirmed in a Charity Commission Scheme dated 1 August 1996 as £932,409. Income, which is included in unrestricted funds, and (to the extent that it does not represent permanent endowment) capital may be used for the general purposes of the SBA.

The Residual Client Balance Fund - In accordance with counsel's opinion received in early 2015, Residual Client Balance donations received between 1st March 2013 and 31st December 2015 (a period during which all acknowledgements included an undertaking to permanently invest the donations received) have been taken into a Residual Client Balance Fund. This action was adopted by the SBA Board at its meeting on 17th June 2015 and was applied retrospectively.

	General Fund £	Residual Client Balances Designated Fund £	Undesignated Fund £	Total Funds £
19 Unrestricted Funds (Current Year)				
At 1 January 2021	6,897,050	8,694,042	3,227,879	18,818,971
Movements	539,686	906,784	-	1,446,470
At 31 December 2021	7,436,736	9,600,826	3,227,879	20,265,441
Unrestricted Funds (Prior Year)				
At 1 January 2020	7,936,736	8,537,909	3,227,879	19,700,733
Movements	(1,037,895)	156,133	-	(881,762)
At 31 December 2020	6,897,050	8,694,042	3,227,879	18,818,971

Within Residual Client Balances, the Designated Fund comprises the donations received during the period 1 January 2004 to 28 February 2013, and donations received from 1 January 2018 onwards. Movements in the year are net of £13,234 repayments. The Undesignated Fund comprises the donations received prior to 2004.

Notes to the Accounts
for the year ended
31 December 2021
Continued

20 Restricted Funds (Current Year)

	At 1 January 2021 £	Incoming Resources £	Outgoing Resources £	Transfer/Gains or Losses £	At 31 December 2021 £
The HM Hubbard Will Trust	-	5,000	(5,000)	-	-
The City of London Solicitor's Company-Charitable Fund	-	6,500	(6,500)	-	-
The Pritt	-	<u>16,000</u>	<u>(16,000)</u>	-	-
	-	<u>27,500</u>	<u>(27,500)</u>	-	-

20 Restricted Funds (Prior Year)

	At 1 January 2020 £	Incoming Resources £	Outgoing Resources £	Transfer/Gains or Losses £	At 31 December 2020 £
The HM Hubbard Will Trust	-	20,000	(20,000)	-	-
The City of London Solicitor's Company-Charitable Fund	-	2,500	(2,500)	-	-
The Pritt	-	<u>14,000</u>	<u>(14,000)</u>	-	-
	-	<u>36,500</u>	<u>(36,500)</u>	-	-

The charity received income from other charities for specific beneficiaries, and these have all been spent in full during the year as intended.

Permanent Endowment				
General Fund £	Main Fund £	Residual Client Balance Fund £		Total Funds £

21 Reconciliation of Movements in Unrealised
Gains on Fixed Asset Investments

Net unrealised gains at 1 January 2021	3,751,418	428,546	633,917	4,813,881
Add attributable to disposals in the year	(2,492,771)	(284,764)	(421,230)	(3,198,765)
Add: net gains on revaluations in the year	342,363	37,449	71,852	451,664
Net unrealised gains at 31 December 2021	1,601,010	181,231	284,539	2,066,780

Notes to the Accounts
for the year ended
31 December 2021
Continued

	Total Funds	Total Funds
	2021	2020
	£	£
22. Reconciliation of net movement in funds to net cash flow from operating activities		
Net movement in funds	2,042,292	(883,273)
Add back depreciation charge	13,248	9,267
Deduct income shown in investing activities	(464,662)	(429,104)
Deduct gains on investments	(2,494,730)	(10,441)
Purchase of Property Plant & Equipment	(2,109)	(17,844)
Decrease in secured loans to beneficiaries	185,294	286,801
Decrease in debtors	7,894	37,251
Increase/(Decrease) in creditors	(129,827)	222,413
Net cash flow from operating activities	(842,600)	(784,930)

	Total Funds	Total Funds
	2021	2020
	£	£
23. Analysis of Cash and Cash Equivalents		
Cash in hand	17,370,122	1,493,493
Total Cash and Cash Equivalents	17,370,122	1,493,493

During 2021 we undertook a review of investment managers. This resulted in a decision to move the Charity's investment portfolio from Investec to CCLA. The sale of investments and transfer of assets to the new Investment Managers was underway but not completed at the Balance Sheet date. As a result, we held a large amount of cash on this date which has since been reinvested.

24. Related party transactions

Details of expenses paid to trustees are summarised in note 8 of the financial statements. There were no other related party transactions.

Patron

Her Majesty The Queen

President

The President of The Law Society

Vice-Presidents

Anthony Surtees

Malcolm Farrer-Brown

Trustees

Chair to Sep 2021 : Matthew Robbins

Chair from Sep 2021: Ginny Cannon
(trustee from Mar 2021)

Honorary Treasurer: Kirsty McEwen

Anthony Cumming

Timothy Cuthbertson

Tanya Dunbar

Eugene Farrell (from Jun 2021)

Michael Gillman

Christl Hughes

Rebecca Litherland (from Sep 2021)

Karen Matthews

Adam Parker (until Mar 2021)

Haroon Qayum

Shams Rahman

Karen South

Andrew Wauchope (from Mar 2021)

The Solicitors' Charity Staff

Chief Executive

Nick Gallagher

Caseworkers

Dervilla Carroll
Paul Norton (from Aug 2021)
Jacqui Staniforth

Casework Manager

Sue Ellis

Finance Director

Andrew Imbrah

Marketing Executive

Martyn Hayes (until Mar 2021)

Administrative Assistant

Jack Blackwell (from Mar 2021)

Operations, Risk & Compliance Manager

Ricardo Premchand

Volunteers

During the pandemic volunteering in support of our clients has been impossible to achieve, given the face-to-face nature of our traditional approach. However, we are grateful to those solicitors who have stood ready to volunteer or who have supported the organisation by volunteering in new ways, such as sharing their insights into the needs of the profession. We look forward to involving them and others in new volunteering opportunities that are currently under development.

Auditors

Cooper Parry Group Limited
Sky View, Argosy Road
East Midlands Airport
Castle Donington
Derby
DE74 2SA

Bankers

National Westminster Bank plc
PO Box 281, 156 Fleet Street
London EC4A 2DX

Investment Managers

Investec Wealth & Investment Ltd
2 Gresham Street
London EC2V 7QN

CCLA Investment Management Ltd

Senator House,
85 Queen Victoria Street
London
EC4V 4ET

The Solicitors' Charity exists to help persons in need who are or have been admitted to the Roll of Solicitors for England and Wales, or who are or have been married to or the civil partner of solicitors so admitted, or who are or have been dependents of solicitors so admitted.

**Solicitors Benevolent
Association Limited**

A charitable company
limited by guarantee
registered in England & Wales
number 6601907
Registered charity
number 1124512

Registered Office

1 Jaggard Way
London SW12 8SG
Telephone: 020 8675 6440
Website: thesolicitorscharity.org

Patron

HM The Queen

**THE
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CHARITY.**
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