

**THE INCORPORATED COUNCIL OF LAW REPORTING
FOR ENGLAND AND WALES**

**COMPANY REGISTRATION NUMBER 5034
CHARITY REGISTRATION NUMBER 250605**

REPORT AND ACCOUNTS

YEAR ENDED 31 DECEMBER 2020

**PUBLISHERS OF THE LAW REPORTS, THE WEEKLY LAW REPORTS,
THE INDUSTRIAL CASES REPORTS, THE BUSINESS LAW REPORTS
AND THE PUBLIC AND THIRD SECTOR LAW REPORTS**

MEGARRY HOUSE, 119 CHANCERY LANE, LONDON WC2A 1PP

**THE INCORPORATED COUNCIL OF LAW REPORTING
FOR ENGLAND AND WALES**

ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2020

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FOR ENGLAND AND WALES**

ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2020

CONTENTS	Page
MEMBERS OF THE COUNCIL	1
REPORT OF THE COUNCIL	2
STATEMENT OF RESPONSIBILITIES OF THE COUNCIL	6
INDEPENDENT AUDITOR'S REPORT	7
STATEMENT OF FINANCIAL ACTIVITIES	10
BALANCE SHEET	11
STATEMENT OF CASH FLOWS	12
NOTES TO THE FINANCIAL STATEMENTS	13

THE INCORPORATED COUNCIL OF LAW REPORTING FOR ENGLAND AND WALES

MEMBERS OF THE COUNCIL

YEAR ENDED 31 DECEMBER 2020

Chairman - R Fleck Esq. CBE
Vice Chairman – Miss M Bowron QC

EX OFFICIO MEMBER

The President of The Law Society – D M Greene Esq.

NOMINATED MEMBERS

Lincoln's Inn
His Honour Judge D R Hodge QC
The Hon. Sir Alastair Norris

Middle Temple
The Hon. Mr Justice Roth
P Susman Esq. QC

Inner Temple
Miss M Bowron QC
Dr M Malecka

Gray's Inn
J Clarke Esq.
The Hon. Mr Justice Turner

The Law Society
Mrs S Abraham
Ms L K H Lee

ELECTED MEMBERS

Elected by the Council on the nomination of the General Council of the Bar

Ms M Coutino

F Sadiq Esq.

CO-OPTED MEMBERS

R Fleck Esq. CBE
K Hamer Esq
Prof P Mitchell
Ms S Thomas
J M Turner Esq. QC

SECRETARY / CEO

Kevin Laws Esq.

Registered Address:
Megarry House, 119 Chancery Lane, London WC2A 1PP

ADVISORS

Solicitors
Bird & Bird
15 Fetter Lane
London EC4A 1JP

Independent Auditor
Haysmacintyre LLP
10 Queen Street Place
London EC4R 1AG

Bankers
National Westminster Bank Plc
156 Fleet Street
London EC4A 2DX

Stockbrokers
Quilter Cheviot
1 Kingsway
London WC2B 6AN

THE INCORPORATED COUNCIL OF LAW REPORTING FOR ENGLAND AND WALES

REPORT OF THE COUNCIL

MEMBERS OF THE COUNCIL

The members of the Council, being the trustees under Charity law and the directors under company law, submit their report and the accounts for the year ended 31 December 2020. Details of members are given on page 1.

During the year there were the following changes to the members of the Council:

Appointments		Resignations	
Mr F Sadiq	01 Jul 2020	The Rt. Hon. Geoffrey Cox QC MP	13 Feb 2020
Mr D M Greene	04 Nov 2020	Mr S W Davis	04 Nov 2020

No trustees received any remuneration during the year. No trustees were reimbursed (2019: one trustee was reimbursed £230) in respect of expenses incurred in performing their duty.

The number of members of the Council shall not exceed twenty. Three, namely the Attorney General, the Solicitor General and the President of The Law Society are appointed members by virtue of their office. At the time of signing these accounts the Attorney General and Solicitor General have not yet formally consented to be members of the Council. Ten members, two from each of Lincoln's Inn, Inner Temple, Middle Temple, Gray's Inn and The Law Society are nominated by each of these societies. Two members are elected to represent the Bar Council. Other co-opted members, not exceeding five in total, are appointed by the Council.

New members are provided with the articles of association, 'The Essential Trustee' document from the Charity Commission, the latest accounts and the minutes from the most recent Executive Committee meeting. They are also given the opportunity to ask the Chief Executive Officer any questions that they may have.

OBJECTS AND PRINCIPAL ACTIVITIES

1. The preparation and publication, in a convenient form, at a moderate price and under gratuitous professional control, of Reports of Judicial Decisions of the Superior and Appellate Courts in England and Wales.
2. The issue, periodically or occasionally, of any subsidiary or other publications relating to legal subjects which it may be considered expedient to combine with the publication of such reports, including the Statutes of the Realm, or any part thereof, if deemed expedient.

The principal activities of the Council are the publication of *The Law Reports*, *The Weekly Law Reports*, *The Industrial Cases Reports*, *The Business Law Reports* and *The Public and Third Sector Law Reports*. Following Practice Directions from Lord Woolf in 2001 and Lord Judge in 2012, the Official Law Reports must always be cited in preference to other law reports. The function to publish law reports of judicial decisions of the superior and appellate courts in England and Wales makes a significant contribution to the administration of justice in England and Wales. This independent role is free from political and shareholder influence.

The Council was formed in 1865, incorporated on 28 July 1870, registered as a charity on 17 November 1971, and is now a company limited by guarantee and not having a share capital. The liability of members is limited to ten pounds per member.

The Council's primary object is, in substance, to record in a reliably accurate manner the development and application of judge-made law and to disseminate the knowledge of that law, its development and judicial application, in a way which is essential to the study of the law. Its purposes in doing so are (i) to assist the administration and development of the law by the courts and (ii) to make the law known, or at least accessible, to all members of the community, including professional lawyers whose advice on legal matters is likely to be sought by other members of the community, thereby making a sound knowledge and understanding of the law more available to all. In 1971 those purposes were held by the Court of Appeal in *Incorporated Council of Law Reporting for England and Wales v Attorney-General* [1972] Ch 73, 88, 95, 104 to be of "general public utility" and "beneficial to the community". Nothing has changed in any relevant respect since 1971 and the Council continues to believe that substantial public benefit results from those activities.

THE INCORPORATED COUNCIL OF LAW REPORTING FOR ENGLAND AND WALES

REPORT OF THE COUNCIL (continued)

The Council is run on a not-for-profit basis whilst offering preferential rates in respect of its publications to academic institutions, students, law lecturers and other charities. The trustees have taken due regard of the information issued by the Charity Commission on public benefit.

ACHIEVEMENTS AND PERFORMANCE

Home working and cloud technology enabled ICLR to continue to operate as near to normal as possible during the global pandemic in 2020. Important court hearings were live streamed during periods of lockdown enabling law reporters to 'attend' trials remotely. Weekly and monthly parts continued to be printed to the normal schedule, although the production of the consolidated (red) index was delayed until 2021. Content was regularly uploaded to the online platform throughout the year.

Members of the Inns of Court and the Law Society were given the opportunity to receive free access to the ICLR.3 online platform for the second half of 2020 and at the beginning of 2021. This was to support practitioners while they were unable to access the Inns' and Law Society libraries during the Covid-19 lockdown.

The ICLR.3 online platform continues to deliver content to customers in a clear, robust and user friendly way and continues to receive very positive feedback from users. Work continues on improving the quality of the data and the functionality of the online platform with ICLR.4 due for release in the autumn of 2021.

E-Commerce functionality was developed in 2020 and deployed in January 2021. Customers are now able to purchase subscriptions to the online platform, for a duration of either a month or a year, 24 hours a day 365 days per year.

FINANCIAL REVIEW

These accounts are prepared under the historical cost convention as modified by the valuation of investments to market value, in accordance with applicable accounting standards and to comply with the Statement of Recommended Practice issued by the Charity Commissioners for England and Wales.

Income in 2020 was £5,263,523, an increase of £117,604 (2%) on 2019. The higher income is primarily attributable to the continuing rise in demand for online publications.

Costs have been kept under tight control. Total expenditure at £4,672,906 was £93,863 lower than in 2019.

This has resulted in an operating surplus of £590,617, better than the £379,150 operating surplus reported for 2019.

The operating surplus moves to an overall deficit of £388,292 (£511,968 surplus in 2019) once the adverse movement of £1,150,000 of the pension scheme liability is included. Deficit recovery payments increased from £135,000pa to £275,000pa from July 2020 to reduce the deficit.

Creditors (amounts falling due within one year) amount to approximately £3.6m. This amount is mainly comprised of deferred income which represents a requirement to provide a future service, not a requirement to pay cash.

At the year end total unrestricted funds were £2,714k, a reduction from £3,102k reported at the end of 2019. This adverse movement is mainly due to the increase in the size of the pension liability to £2,036k (from £1,072k in 2019).

The significant increase in the pension scheme liability is a factor of low bond yields on the 31 December 2020. It is a requirement to use these yields in the calculation of the deficit in the 2020 accounts. The deficit would have been £1.0m (instead of £2.0m) if the calculation was performed using asset values and bond yields at the end of February 2021.

THE INCORPORATED COUNCIL OF LAW REPORTING FOR ENGLAND AND WALES

REPORT OF THE COUNCIL (continued)

KEY MANAGEMENT COMPENSATION POLICY

The members of Council have identified the Chief Executive Officer, Editor and Head of Product Development and Online Content as key management personnel of the charity and they are in charge of directing and controlling, running and operating the charity on a day to day basis. The fourth member of the senior management team, the Head of Design and Research, left ICLR in December 2020.

The pay of all staff is reviewed annually with average increases normally in line with inflation.

RISKS

A risk register is maintained and periodically reviewed at Council meetings. Areas currently identified with significant inherent risk include the risk that demand for ICLR content on paper declines to a level that results in an unsustainable loss and the risk that operational or archive data is lost. Controls have been put in place to mitigate these risks, these include developing alternative sources of revenue and ensuring data is regularly backed up and held in multiple locations. Continuity of service for the online platform is also considered a risk. The security of the platform is regularly reviewed to ensure the appropriate measures are in place. Compliance with the new GDPR legislation is also identified as a risk. A project team and external advisors were engaged to ensure data processes and procedures comply with the new regulations. Regular reviews are conducted to mitigate the risk of non-compliance.

INVESTMENT POLICY

Quilter Cheviot were appointed discretionary managers for the Council's investment portfolio in September 2015. The investment strategy falls within the wealth preservation category including a mixture of asset classes (approximate breakdown: UK equities (30%), overseas equities (40%), fixed interest (15%), property and infrastructure (15%)). The trustees regularly monitor the performance of the investment managers. The investment managers are periodically requested to present the investment performance at Executive Committee meetings.

DEFINED BENEFIT PENSION SCHEME

The Council operates a defined benefit pension scheme that was closed to new members in 1999 and closed to future accrual in 2010. The net liability for defined benefit pension scheme obligations has increased to £2.0 million. The Council and pension scheme trustees are both committed to ensuring the appropriate level of funding to allow the full payment of accrued pensions from the scheme. The Council therefore increased annual contributions, from £135k to £275k per annum, from 1 July 2020, to reduce the deficit. The pension scheme trustees consider that this level of contribution is sufficient to meet the liabilities of the scheme. This view is supported by the scheme actuary.

FUTURE DEVELOPMENTS

The Council will continue to seek to improve the efficiency of the publishing process and will explore new opportunities for expanding the Council's content and improving the functionality of the online platform in order to meet customers' demands.

RESERVES

Free reserves, being total unrestricted reserves less tangible and intangible fixed assets, plus the pension fund deficit stand at £2,878,376 (2019: £2,359,787). The free reserves provide working capital for the operations of the charity and the trustees consider that an ideal level of reserves would amount to a full year's worth of expenditure (£4.7m), although it is recognised that with the current economic conditions this level is unlikely to be reached in the foreseeable future. Amounts reported in tangible fixed assets are excluded because they are not readily available to the charity for spending. The pension fund deficit will be dealt with through adjusting contributions over a period of years.

THE INCORPORATED COUNCIL OF LAW REPORTING FOR ENGLAND AND WALES

REPORT OF THE COUNCIL (continued)

TANGIBLE ASSETS

The movements in tangible assets during the year are set out in note 10 to the accounts. The Trustees are aware that there is a material favourable difference between the disclosed carrying value of freehold properties (£1.5m) in these accounts and the current market value, but do not believe that there is value, commensurate with the associated cost, in ascertaining that market value at this time.

AUDITOR

A resolution proposing that Haysmacintyre LLP be reappointed for the ensuing year will be presented to the Annual General Meeting.

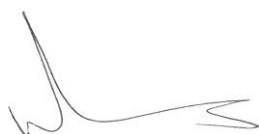
STATEMENT OF THE COUNCIL

The Council members have confirmed that so far as they are aware, there is no relevant audit information of which the charitable company's auditor is unaware and that they have taken all the reasonable steps that they ought to have taken as members in order to make themselves aware of any such relevant audit information and to establish that the charitable company's auditor is aware of that information.

APPRECIATION

The Council wishes to express its thanks to Her Majesty's Judges and to both branches of the Profession for the aid afforded by them to the Editors and Reporters in the discharge of their duties and to record their appreciation of the efforts of the Editors, Reporters, and staff in maintaining the high quality of the published law reports.

By Order of the Council



Mr Kevin Laws
Company Secretary

Date: 16 June 2021

THE INCORPORATED COUNCIL OF LAW REPORTING FOR ENGLAND AND WALES

STATEMENT OF RESPONSIBILITIES OF THE COUNCIL

The trustees (who are also directors for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements 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.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF THE INCORPORATED COUNCIL OF LAW REPORTING FOR ENGLAND AND WALES

We have audited the financial statements of The Incorporated Council of Law Reporting for England and Wales for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of the charitable company's net movement in funds, including the 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 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 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 trustees are responsible for the other information. The other information comprises the information included in the Report of the Council. 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.

Opinions 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 Report of the Council for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Council has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF THE INCORPORATED COUNCIL OF LAW REPORTING FOR ENGLAND AND WALES (continued)

Matters on which we are required to report by exception

In the light of the 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 Report of the Council.

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

- adequate accounting records have not been kept by the charitable company; or
- the charitable company 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 take advantage of the small companies' exemptions in preparing the Report of the Council and from the requirement to prepare a Strategic Report.

Responsibilities of trustees for the financial statements

As explained more fully in the Statement of Responsibilities of the Council, 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:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to charity law, 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 Companies Act 2006, the Charities Act 2011, corporation tax, payroll tax and sales tax.

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 the posting of inappropriate journal entries and management bias in accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- 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 that significantly impact on the result for the year, posting in areas subject to significant judgements or estimates, postings in accounts that are considered higher risk; and

**INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF THE INCORPORATED COUNCIL OF LAW
REPORTING FOR ENGLAND AND WALES (continued)**

- Challenging assumptions and judgements made by management in their critical accounting estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Thomas Wilson (Senior Statutory Auditor)

for and on behalf of Haysmacintyre LLP, Statutory Auditor

10 Queen Street Place

London EC4R 1AG

Date: 16/06/2021

THE INCORPORATED COUNCIL OF LAW REPORTING FOR ENGLAND AND WALES

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted and total funds 2020 £	Unrestricted and total funds 2019 £
INCOME FROM:			
<i>Charitable activities</i>			
Sales of print publications	3	761,346	885,486
Online, licensing and other income	3	4,435,215	4,141,196
<i>Investments</i>			
Interest receivable		6,049	6,264
Listed investments		47,038	57,472
<i>Other</i>			
Rental income		13,875	55,500
TOTAL		5,263,523	5,145,919
EXPENDITURE ON:			
<i>Charitable activities</i>			
Costs of publications and services	4	4,585,493	4,685,178
Distribution costs	4	87,413	81,591
TOTAL		4,672,906	4,766,769
Net income for the year before investment gains		590,617	379,150
Net gains on investments		171,091	299,818
Net income for the year		761,708	678,968
Other recognised gains and losses			
Remeasurement of net defined benefit pension liability	16	(1,150,000)	(167,000)
Net movement in funds for the year		(388,292)	511,968
Funds brought forward at 1 January	15	3,102,035	2,590,067
Funds carried forward at 31 December	15	2,713,743	3,102,035

All gains and losses arising in the year are included in the Statement of Financial Activities above and arose from continuing activities.

THE INCORPORATED COUNCIL OF LAW REPORTING FOR ENGLAND AND WALES

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	£	2020 £	£	2019 £
FIXED ASSETS					
Tangible assets	10		1,534,045		1,772,248
Intangible assets	11		337,322		42,000
Investments	12		2,537,738		2,416,347
			<u>4,409,105</u>		<u>4,230,595</u>
CURRENT ASSETS					
Stock		66,123		65,627	
Debtors	13	2,318,265		2,126,554	
Cash at bank and in hand		1,568,970		1,290,991	
		<u>3,953,358</u>		<u>3,483,172</u>	
CREDITORS: Amounts falling due within one year	14	<u>(3,612,720)</u>		<u>(3,539,732)</u>	
NET CURRENT ASSETS / (LIABILITIES)			<u>340,638</u>		<u>(56,560)</u>
NET ASSETS excluding pension liability			<u>4,749,743</u>		<u>4,174,035</u>
Pension liability	16		<u>(2,036,000)</u>		<u>(1,072,000)</u>
NET ASSETS			<u><u>2,713,743</u></u>		<u><u>3,102,035</u></u>
FUNDS					
Unrestricted funds					
- Accumulated reserve	15		4,749,743		4,174,035
- Pension reserve	15		<u>(2,036,000)</u>		<u>(1,072,000)</u>
			<u><u>2,713,743</u></u>		<u><u>3,102,035</u></u>

The financial statements were approved and authorised for issue by the Council and were signed on its behalf on 16 June 2021 by:



Mr Richard Fleck CBE
Chairman

THE INCORPORATED COUNCIL OF LAW REPORTING FOR ENGLAND AND WALES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Cash flows from operating activities:			
Net cash provided by operating activities	a	356,176	450,849
Cash flows from investing activities:			
Dividends and interest		53,087	63,736
Purchase of property, plant and equipment		(4,485)	(31,434)
Purchase of Intangible assets		(176,616)	-
Proceeds from sale of investments		168,364	235,299
Purchase of investments		(118,547)	(215,714)
Net cash (used in)/provided by investing activities		(78,197)	51,643
Change in cash and cash equivalents in the reporting period		277,979	502,492
Cash and cash equivalents at the beginning of the reporting period	b	1,290,991	788,499
Cash and cash equivalents at the end of the reporting period	b	<u>1,568,970</u>	<u>1,290,991</u>

Notes to the Statement of Cash Flows

a) Reconciliation of net income to net cash flow from operating activities

Net income for the year (as per the Statement of Financial Activities)	761,708	678,968
Adjustments for:		
Depreciation charges	16,959	118,071
Amortisation	107,023	6,000
Gains on investments	171,091	(299,818)
Dividends and interest from investments	53,087	63,736
(Increase)/decrease in stock	(496)	5,053
(Increase)/decrease in debtors	(191,711)	55,709
Increase in creditors	72,870	59,602
Difference between pension movement and cash contributions	(186,000)	(109,000)
Net cash provided by/(used in) operating activities	<u>356,176</u>	<u>450,849</u>
b) Analysis of cash and cash equivalents		
Cash in hand	368,970	590,991
Notice deposits (less than 3 months)	1,200,000	700,000
Total cash and cash equivalents	<u>1,568,970</u>	<u>1,290,991</u>

No analysis of changes in net debt has been presented as the charitable company has no borrowings.

THE INCORPORATED COUNCIL OF LAW REPORTING FOR ENGLAND AND WALES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

1 ACCOUNTING POLICIES

(a) General information

The Incorporated Council of Law Reporting for England and Wales ("the Council") is a charitable company limited by guarantee incorporated in England and Wales (Company registration no. 5034) and registered with the Charity Commission (Charity registration no. 250605). The Council's registered office address is Megarry House, 119 Chancery Lane, London WC2A 1PP.

(b) Accounting convention and basis of preparation

The financial statements have been prepared under the historical cost convention, with the exception of fixed asset investments, which are included at their market value at the balance sheet date. The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (SORP FRS 102) Second edition effective 1 January 2019, the Companies Act 2006 and applicable accounting standards (FRS 102).

The Council meets the definition of a public benefit entity under FRS 102.

(c) Going concern

The trustees consider that, after taking into account financial and cashflow forecasts for the next 5 years, there are no material uncertainties regarding the Council's ability to continue as a going concern.

(d) Income

All income, including income from publications, subscriptions and licensing agreements is accrued and included in the Statement of Financial Activities when the Council is legally entitled to (or has received) the income and the amount can be quantified with reasonable accuracy. Income received relating to future accounting periods is deferred and recognised as a creditor within the balance sheet. Subscriptions in respect of the following financial year are raised in advance and are due for payment by 31 December and these are shown within trade debtors and deferred income.

(e) Expenditure

Expenditure is accounted for on an accruals basis.

Direct charitable expenditure relates to salaries and expenditure incurred in preparing, publishing and distributing content and related services.

Support costs consist of central management, administration and governance costs. The amount spent on raising funds and other activities is considered to be immaterial and all support costs are allocated to costs of publications and services within charitable activities.

(f) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is provided on all tangible assets, other than freehold land, to write off the cost, less estimated residual value of each asset over its expected useful life on a straight-line basis using the following rates:

Freehold buildings	-	2%
Fixtures and fittings	-	10%
Electrical and computer equipment	-	20%

1 ACCOUNTING POLICIES (continued)

(g) Intangible fixed assets and amortisation

Intangible fixed assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is provided on all intangible assets, to write off the cost, less estimated residual value of each asset over its expected useful life on a straight-line basis using the following rates:

Online Platform and Content Management System	-	20%
Licences of transcripts	-	10%

In respect of the transcript licences, the trustees consider that, given the length of time that cases can be considered or cited, it is not possible to make a reliable estimate of the useful life and therefore have adopted the presumed useful life of 10 years as set out in the Charity SORP.

(h) Investments

Investments are included at market value on the Balance Sheet date. Net gains or losses on revaluation and disposal of investments are included in the Statement of Financial Activities.

(i) Stock

Stock is valued at the lower of cost and net realisable value.

(j) Financial instruments – assets and liabilities

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within current liabilities.

Debtors and creditors

Debtors and creditors with no stated interest rates are recorded at transaction price. Any losses arising from impairment are recognised in the Statement of Financial Activities.

1 ACCOUNTING POLICIES (continued)

(k) Employee benefits

The Council provides a range of benefits to employees including paid holiday arrangements and defined benefit and defined contribution pension plans.

Short term benefits

Short term benefits, including holidays and other similar non-monetary benefits are recognised as an expense in the period in which the service is received.

Defined contribution pension plans

The Council operates a group personal pension scheme under which the Council makes fixed contributions to a separate entity. The Council also makes contributions to self-employed reporters appointed prior to 1989 which they invest in personal pension schemes. The contributions are recognised as an expense when they fall due. The assets of the pension plans are held separately from the Council in independently administered funds.

Defined benefit pension scheme

The Council has a defined benefit pension scheme for employees that was closed to future accrual on 15th June 2010, the assets of which are administered by trustees. The liability recognised in the balance sheet in respect of the defined benefit pension scheme is the present value of the defined benefit obligation at the end of the reporting date less the fair value of the scheme assets at the reporting date.

The defined benefit obligation is calculated using the projected unit credit method. Annually the Council engages an independent actuary to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of the future periods ("discount rate"). The fair value of the scheme assets is measured in accordance with the FRS 102 fair value hierarchy and includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as "remeasurement of net defined benefit pension liability".

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of the scheme assets. The cost is recognised within other pension costs in the Statement of Financial Activities.

THE INCORPORATED COUNCIL OF LAW REPORTING FOR ENGLAND AND WALES

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2020

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Council's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key areas subject to judgement and estimation are as follows:

Defined benefit pension scheme

The Council has obligations to pay pension benefits under a defined benefit pension scheme. The cost of these benefits and the present value of the obligation depend on a number of factors including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates the factors in determining the net pension obligation in the balance sheet, and the assumptions are agreed with the scheme's actuary on the basis of historical experience and current trends.

3. INCOME FROM CHARITABLE ACTIVITIES

	2020 £	2019 £
A geographical division of charitable income is given below:		
United Kingdom	4,236,522	4,127,544
Overseas	960,039	899,138
	<u>5,196,561</u>	<u>5,026,682</u>

4. COST OF CHARITABLE ACTIVITIES

	Direct Fees and Salaries £	Other Direct Costs £	Support Costs (Note 5) £	2020 Total £	2019 Total £
Costs of publications and services	2,870,826	672,289	1,042,378	4,585,493	4,685,178
Distribution costs	-	87,413	-	87,413	81,591
Total	<u>2,870,826</u>	<u>759,702</u>	<u>1,042,378</u>	<u>4,672,906</u>	<u>4,766,769</u>

COST OF CHARITABLE ACTIVITIES (2019)

	Direct Fees and Salaries £	Other Direct Costs £	Support Costs (Note 5) £	2019 Total £
Costs of publications and services	2,828,238	845,153	1,011,787	4,685,178
Distribution costs	-	81,591	-	81,591
Total	<u>2,828,238</u>	<u>926,744</u>	<u>1,011,787</u>	<u>4,766,769</u>

THE INCORPORATED COUNCIL OF LAW REPORTING FOR ENGLAND AND WALES

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2020

5. SUPPORT COSTS	2020 £	2019 £
Salaries, wages, NI, health insurance and pension costs	610,252	587,135
Office rent and running costs	99,547	81,287
Office supplies and services	131,071	146,101
Depreciation	16,959	118,071
Amortisation	107,023	6,000
Other support costs	65,076	62,743
Governance costs – audit and accountancy fees	12,450	10,450
	1,042,378	1,011,787
6. NET INCOME FOR THE FINANCIAL YEAR	2020 £	2019 £
Net income for the financial year is stated after charging the following:		
Auditor's remuneration:		
- audit	10,450	8,550
- accountancy	2,000	1,900

THE INCORPORATED COUNCIL OF LAW REPORTING FOR ENGLAND AND WALES

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2020

7. FEES AND SALARIES	2020 £	2019 £
Wages and salaries	2,203,371	2,284,234
Social security costs	246,371	247,747
Employer pension costs	506,488	328,613
Staff healthcare costs	69,570	65,859
	<u>3,025,800</u>	<u>2,926,453</u>
Self-employed reporters' and editors' fees and related costs	455,278	488,919
	<u>3,481,078</u>	<u>3,415,372</u>

The monthly average number of employees was	48	48
	<u>48</u>	<u>48</u>

In addition the Council utilises the services of 7 (2019: 7) self-employed reporters and editors

	2020 Number	2019 Number
The emoluments of higher paid staff within the following range were:		
£60,000 - £69,999	3	3
£70,000 - £79,999	1	1
£80,000 - £89,999	1	-
£90,000 - £99,999	1	2
£130,000 - £139,999	1	1
	<u>7</u>	<u>7</u>

The key management personnel of the Council consist of the four (2019: five) members of the senior management team. Total compensation (including employer's national insurance contributions) for key management personnel for the year was £492,821 (2019: £575,481).

THE INCORPORATED COUNCIL OF LAW REPORTING FOR ENGLAND AND WALES

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2020

8. COUNCIL MEMBERS' REMUNERATION AND TRANSACTIONS

No members of the Council received any remuneration during the year (2019: £nil). No members were reimbursed expenses during the year (2019: One member reimbursed £230).

9. TAXATION

The company is a registered charity and, as its income is applied to charitable purposes, there is no liability to corporation tax.

10. TANGIBLE ASSETS

	Freehold land and buildings £	Fixtures and fittings £	Electrical and computer equipment £	Online platform and content management system £	Total £
Cost					
At 1 January 2020	2,178,224	150,952	79,739	503,265	2,912,180
Additions	-	139	4,346	-	4,485
Disposals	-	-	(1,684)	-	(1,684)
Reclassifications	-	-	-	(503,265)	(503,265)
At 31 December 2020	2,178,224	151,091	82,401	-	2,411,716
Accumulated depreciation					
At 1 January 2020	678,512	119,506	64,378	277,536	1,139,932
Charge for the year	4,772	5,532	6,655	-	16,959
Disposals	-	-	(1,684)	-	(1,684)
Reclassifications	-	-	-	(277,536)	(277,536)
At 31 December 2020	683,284	125,050	69,317	-	877,671
Net book values					
At 31 December 2020	1,494,940	26,053	13,052	-	1,534,045
At 31 December 2019	1,499,712	31,446	15,361	225,729	1,772,248

The members of Council have considered the presentation of ICLR's online platform and content management system assets and have concluded that they are more appropriately disclosed within intangible fixed assets as they do not have physical substance. This has resulted in a transfer of assets with a carrying value of £225,729 to intangible fixed assets (see Note 11).

All assets are considered to be held for charitable purposes.

THE INCORPORATED COUNCIL OF LAW REPORTING FOR ENGLAND AND WALES

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2020

11. INTANGIBLE ASSETS

	Online platform and content management system £	Transcript Licence £	Total £
Cost			
At 1 January 2020	-	60,000	60,000
Additions	176,616	-	176,616
Disposals	-	-	-
Reclassifications	503,265	-	503,265
	<u>679,881</u>	<u>60,000</u>	<u>739,881</u>
At 31 December 2020			
Accumulated amortisation			
At 1 January 2020	-	18,000	18,000
Charge for the year	101,023	6,000	107,023
Reclassification	277,535	-	277,525
	<u>378,559</u>	<u>24,000</u>	<u>402,559</u>
At 31 December 2020			
Net book values			
At 31 December 2020	<u>301,322</u>	<u>36,000</u>	<u>337,322</u>
At 31 December 2019	<u>-</u>	<u>42,000</u>	<u>42,000</u>

12. INVESTMENTS

	Fixed interest stock £	Listed equities and funds £	Total £
Analysis of movements in the year			
Market value at 1 January 2020	412,167	2,004,180	2,416,347
Additions at cost	4,375	114,172	118,547
Sales proceeds	(31,946)	(136,418)	(168,364)
Realised gains on disposals	(5)	(2,604)	(2,609)
Unrealised losses on revaluation	20,638	153,179	173,817
	<u>405,229</u>	<u>2,132,509</u>	<u>2,537,738</u>
At 31 December 2020			
Cost			
At 31 December 2020	<u>368,514</u>	<u>1,359,487</u>	<u>1,728,001</u>
At 31 December 2019	<u>396,260</u>	<u>1,382,009</u>	<u>1,778,269</u>

THE INCORPORATED COUNCIL OF LAW REPORTING FOR ENGLAND AND WALES

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2020

13.	DEBTORS	2020 £	2019 £	
	Due within one year:			
	Trade debtors	2,117,260	1,943,767	
	Other debtors	39,991	51,826	
	Prepayments	114,727	94,905	
	Accrued income	46,287	35,996	
		<u>2,318,265</u>	<u>2,126,494</u>	
14.	CREDITORS	2020 £	2019 £	
	Amounts falling due within one year:			
	Trade creditors	76,182	77,267	
	Accruals	538,492	433,217	
	Deferred income	2,646,818	2,654,973	
	Tax and social security	345,972	368,994	
	Other creditors	5,256	5,280	
		<u>3,612,720</u>	<u>3,539,732</u>	
15.	FUNDS	Accumulated Fund £	Pension Reserve £	Total £
	Balance brought forward at 1 January 2019	3,604,067	(1,014,000)	2,590,067
	Transfers between funds	-	-	-
	Surplus/ (deficit) for the year	569,968	(58,000)	511,968
		<u>4,174,035</u>	<u>(1,072,000)</u>	<u>3,102,035</u>
	Balance brought forward at 1 January 2020	4,174,035	(1,072,000)	3,102,035
	Transfers between funds	-	-	-
	Surplus/(deficit) for the year	575,708	(964,000)	(388,292)
		<u>4,749,743</u>	<u>(2,036,000)</u>	<u>2,713,743</u>
	Balance as at 31 December 2020	4,749,743	(2,036,000)	2,713,743

Included within the accumulated fund are unrealised gains on investments totalling £809,737 (2019: £638,078).

16. PENSIONS

(i) Pension and Life Assurance Scheme

The company operates a defined benefit pension scheme in the UK, the Incorporated Council of Law Reporting for England and Wales Pension and Life Assurance Scheme (1975), in respect of office, editorial and warehouse staff, and reporters appointed subsequently to 6 April 1989. The assets of the scheme are held separately from those of the company, being invested in various investment vehicles with Royal London and Quilter Cheviot. The scheme was closed to new members in October 1999 and to future accrual on 15th June 2010. The pension contribution for the year was £205,000 (2019: £135,000).

The most recent triennial review as at 1 April 2019 stated that the value of the scheme assets was £8,331,000 which represented 79% of the benefits that had accrued to members, after allowing for future increases in earnings. This is equivalent to a deficit of £2,175,000. The major assumptions used in the valuation as at 1 April 2020 are given below.

Rate of increase of salaries	3.5% pa
Rate of increase of pensions in payment	3.3% pa
Rate of Investment return – before retirement	3.5% pa
Rate of Investment return – after retirement	1.8% pa
Retail price index increases	3.4% pa
Consumer price index increases	2.8% pa
Rate of increases in pensions in deferment:	
Pre 6 April 2020 accrual	2.8%
Post 6 April 2020 accrual	2.5%

A Recovery Plan has been agreed with the company, which commits the company to paying contributions to fund the shortfall. These deficit reduction contributions are incorporated into the plan's Schedule of Contributions dated 7 April 2020 and require the company to make contributions of £33,750 per quarter, increasing to £68,750 per quarter from 1 July 2020 and up to and including July 2029. These payments are subject to review following the next funding valuation which will be undertaken as at 1 April 2022.

For the purpose of providing the disclosures required by Financial Reporting Standard 102, the Scheme actuary has prepared a valuation of the Scheme using the projected unit method in order to assess the liabilities of the Scheme at 31 December 2020. The major assumptions used by the actuary as at 31 December 2020 were as follows:

	31 December 2020	31 December 2019
Discount Rate	1.3%	2.0%
Salary increases	3.2%	3.2%
LPI Pension increases	3.1%	3.1%
Retail price index	3.2%	3.2%
Consumer price index	2.2%	2.2%

Mortality assumptions

The underlying mortality assumption is based upon the standard table known as S3PA on a year of birth usage with CMI_2019 future improvement factors and a long-term rate of future improvement of 1.0% p.a. (2019: S3PA with CMI_2018 future improvement factors and a long-term rate of future improvement of 1.0% p.a). This results in the following life expectancies:

Life expectancy for a current 65 year old - males	87 years	86 years
- females	89 years	88 years

THE INCORPORATED COUNCIL OF LAW REPORTING FOR ENGLAND AND WALES

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2020

16. PENSIONS (continued)

Amounts Recognised in the Balance Sheet

	31 December 2020 £	31 December 2019 £
Market value of scheme assets	9,415,000	8,953,000
Present value of scheme liabilities	(11,451,000)	(10,025,000)
Net defined benefit liability	(2,036,000)	(1,072,000)

Amounts Recognised in the Income and Expenditure account

	31 December 2020 £	31 December 2019 £
Current service cost	-	-
Interest cost on net defined benefit liability	19,000	26,000
Total charge	19,000	26,000

Changes in the present value of the scheme liabilities

	31 December 2020 £	31 December 2019 £
Opening present value of scheme liabilities	10,025,000	8,856,000
Current employer service costs	-	-
Interest cost on scheme liabilities	198,000	246,000
Actuarial losses/(gains)	1,451,000	1,049,000
Benefits paid	(223,000)	(126,000)
Closing present value of scheme liabilities	11,451,000	10,025,000

Changes in the fair value of scheme assets

	31 December 2020 £	31 December 2019 £
Opening fair value of scheme assets	8,953,000	7,842,000
Interest on scheme assets	179,000	220,000
Return on assets less interest included in I&E	301,000	882,000
Employer contributions	205,000	135,000
Member contributions	-	-
Benefits paid	(223,000)	(126,000)
Closing fair value of scheme assets	9,415,000	8,953,000
Actual return on scheme assets	480,000	1,102,000

THE INCORPORATED COUNCIL OF LAW REPORTING FOR ENGLAND AND WALES

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2020

16. PENSIONS (continued)

The major categories of Scheme assets as a percentage of total Scheme assets are as follows:

	At 31 December 2020	At 31 December 2019
Equities and Property	69%	68%
Bonds	29%	30%
Cash	2%	2%
Total	100%	100%

The scheme has no investments in property occupied by, assets used by or financial instruments issued by the charitable company.

Analysis of amount recognisable in other recognised gains and losses

	31 December 2020 £	31 December 2019 £
Return on assets, less interest recognised in I&E	301,000	882,000
Experience gains and losses arising on scheme liabilities	-	(24,000)
Changes in assumptions underlying the present value of scheme liabilities	(1,451,000)	(1,025,000)
Remeasurement of net defined benefit pension liability recognised in other recognised gains and losses	(1,150,000)	(167,000)

Movement in net defined benefit liability during the year

	31 December 2020 £	31 December 2019 £
Net defined benefit liability at start of year	(1,072,000)	(1,014,000)
Income and expenditure charge	(19,000)	(26,000)
Remeasurement of net defined benefit pension liability recognised in other recognised gains and losses	(1,150,000)	(167,000)
Employer contributions	205,000	135,000
Net defined benefit liability at end of year	(2,036,000)	(1,072,000)

(ii) Defined contribution pension scheme arrangements

ICLR operates a defined contribution pension scheme for eligible employees called the ICLR Group Personal Pension Plan (GPPP). All eligible employees are automatically enrolled into the scheme and ICLR contributes between 4% and 14% of pensionable salaries. ICLR also makes contributions to employee personal pension schemes through pension salary exchange. The total expense for the year in respect of defined contribution pension schemes was £232,613 (2019: £266,116). Contributions totalling £22,465 (2019: £22,804) were payable in respect of these arrangements at the balance sheet date and are included in creditors.

(iii) Retirement reserve for appointed reporters

The Council pays annual pension increments to self-employed reporters appointed prior to April 1989 which they invest in their individual pension arrangements. The charge for the year, included in cost of publications and services, was £42,577 (2019: £43,890). Contributions totalling £32,665 (2019: £32,758) were payable in respect of this scheme at the balance sheet date and are included in creditors.

THE INCORPORATED COUNCIL OF LAW REPORTING FOR ENGLAND AND WALES

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2020

17. CAPITAL COMMITMENTS

At the balance sheet date, the Council had future capital commitments totalling £110,000 (2019: £nil). This amount relates to a 13 month project to improve the online platform which commenced in April 2020.

18. LEASE RENTALS RECEIVABLE

The Council lets part of its freehold buildings under a lease agreement. The future minimum lease rentals receivable under non-cancellable operating leases at the balance sheet date are as follows:

	2020	2019
	£	£
Minimum lease rentals receivable in:		
less than one year	34,897	55,500
two to five years	100,052	155,400
	<u>134,949</u>	<u>210,900</u>

No contingent rents have been included in this disclosure or recognised in the period.

19. RELATED PARTY TRANSACTIONS

There were no related party transactions in the current or previous year.

20. POST BALANCE SHEET EVENTS

There are no post balance sheet events to report.