
THE MODERN LAW REVIEW LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

THE MODERN LAW REVIEW LIMITED

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THE MODERN LAW REVIEW LIMITED

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE COMPANY, ITS TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2021

| | |
|----------------------------------|---|
| Trustees | Conor Gearty David Kershaw Andrew Lang Thomas Poole Jo Braithwaite Dev Gangjee Gregoire Webber Michael Lobban Virginia Mantouvalou Tanya Aplin Jacco Bomhoff Orla Lynskey Donal Nolan Paul Roberts Kate Greasley Sangeeta Shah Emmanuel Voyiakis Tatiana Cutts Vanessa Munro Sarah Paterson Jeremy Horder Karen Lockett-Yeung (resigned 4 February 2022) |
| Company registered number | 00325282 |
| Charity registered number | 264072 |
| Registered office | Old Building Houghton Street London WC2A 2AE |
| Company secretary | Michael Lobban |
| Chief executive officer | David Kershaw |
| Independent auditors | Calders (1883) LLP Statutory Auditor and Chartered Accountants 30 Orange Street London WC2H 7HF |
| Bankers | HSBC Bank Plc 16 King Street Covent Garden London WC2E 8JF |

THE MODERN LAW REVIEW LIMITED

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees present their annual report together with the audited financial statements of the The Modern Law Review Limited for the year 1 January 2021 to 31 December 2021. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the charitable company qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' 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 . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they 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 financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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.

Disclosure of information to auditors

The trustees confirm that so far as they are aware, there is no relevant audit information (as defined by section 418(3) of the Companies Act 2006) of which the charitable company's auditors are unaware. They have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

THE MODERN LAW REVIEW LIMITED

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Reference and Administrative Details

The Chief Executive Officer of the company is the General Editor, currently David Kershaw. The General Editor is responsible for the day to day management of the company.

Structure, Governance and Management

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

There are 22 Directors who meet at least five times a year as the Editorial Committee, which is responsible for the running of the company. The Directors of the company, and Trustees for the purposes of Charity Law, during the year ended 31st December 2021 are listed on page 1.

There are no significant contracts in which the Directors had or have material interests, nor are there any arrangements to which the company is or was a party, to enable the Directors to acquire the benefit or acquisition of shares in or debentures of any company.

Members of the Advisory Board, which includes former members of the Editorial Committee and others with expertise in the areas of the company's activities, are available to provide advice to the Editorial Committee as and when required.

The Editorial Committee keeps its membership under regular review and new members are recruited as the Committee thinks necessary for the efficient carrying out of the company's business. The Committee's membership has traditionally been drawn largely, though not exclusively, from among the body of legal academics in British universities.

Risk Management

The Directors manage risks as they arise. They also believe that maintaining reserves at their current level, combined with controls over key financial operations will provide sufficient resources in the event of adverse conditions.

Objectives and Activities

The objects of the company are to promote legal education and the study of law and all other arts and sciences and in particular those which are or may be or become of interest to persons concerned in the study or practice of law which involve some legal element and discussion of all questions and topics arising thereout by such means as may be deemed desirable and in particular by the publication issue and circulation of a journal review or other periodical, and by the organisation of lectures, discussions, correspondence with public bodies or individuals and the donation or founding of any scholarships, prizes or other rewards or distinctions. In furtherance of these objects, the company:

- Publishes the Modern Law Review;
- Organises the annual Chorley lecture;
- Provides financial support for seminars on legal or law related topics;
- Provides scholarships for doctoral research on legal or law related subjects;
- Sponsors the translation of scholarly works on legal or law related subjects which are not currently available in English; and
- Offers an annual prize for an exemplary article published in the Modern Law Review.

THE MODERN LAW REVIEW LIMITED

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Achievements and Performance

Publication of the Modern Law Review: The principal activity of the company during the period covered by this report was the publication of parts of Volume 84 of the Modern Law Review. The total number of institutional subscriptions for the Review was 153 in 2021 compared with 177 in 2020. The long-term decline in traditional subscriptions is to be explained by the fact that institutions have moved from traditional subscriptions to collection licenses such as the Wiley license, which offered 6,366 institutions access to the Modern Law Review in 2021, a decrease from 6,633 in 2020.

In total, the Modern Law Review is available through electronic access at 6,519 institutions under the publishers' institutional licensed sales program and 6,366 institutions have access through a Wiley license, a collection license offered by our publishers. Article downloads increased 6.9% in 2021 over 2020. This suggests continued success for our newly designed website which was launched in January 2017 as well as improved marketing by our publishing partners.

The Modern Law Review is also available (free of charge or at very low cost) in 4,660 institutions in developing world countries through philanthropic initiatives.

Seminars: The following seminars were given support for 2021-22:

| | |
|-------------|--|
| Northumbria | Legal Professional Privilege: A Human Right or Barrier to Justice? |
| Colchester | International Law and Transformation: Environmental Justice |

Scholarships: The following students were awarded scholarships to support their doctoral research in the academic year 2021-22:

| | |
|-----------|--------------------------------|
| Cambridge | Ana Magini |
| Cambridge | Forest Yu |
| Bristol | Ricardo Buendia |
| Edinburgh | Nidhi Sahay |
| KCL | Shelley Leung |
| KCL | Clara López-Rodriguez |
| KCL | Laura Mai |
| KCL | Lydia Tsioli |
| Leicester | Claiton Fyock |
| Leicester | Carly Lightfoot |
| LSE | Carly Krakow |
| LSE | Mattia Pinto |
| Reading | Liam Bagshaw |
| Reading | Basak Bak Tezgel |
| SOAS | Leonie Clarke |
| Oxford | Aradhana Cherupara Vadekkethil |
| Oxford | Aleksandra Kobyasheva |
| UCL | Andrew McLean |
| UCL | Sophia Schroeder |
| UCL | Cosmin Vraciu |

THE MODERN LAW REVIEW LIMITED

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Translations: No expenditure on translations was incurred in 2021.

Wedderburn Prize: The Wedderburn Prize 2020 for the best article published in volume 83 of the Review was awarded to Dr Nick Friedman for his article 'Corporations as Moral Agents: Trade-Offs in Criminal Liability and Human Rights for Corporations.'

Financial Review

Contract with Wiley: The year 2021 was the eleventh full year in which the Modern Law Review was published in accordance with the terms of a revised profit sharing agreement made with Wiley Blackwell Publishing in 2010. This contract also included the provision that the accounts for the bound volume should be integrated into the main journal accounts. Under the agreement, the amount received by MLR for the journal and bound volume for the year ending 31 December 2021, was £154,739. Under the contract, a separate payment of £12,991 was made by Wiley as a contribution to editorial costs. A new contract was negotiated with Wiley to commence in 2022.

Production Assistance and Articles Administration: The amount spent on production assistance and articles administration in the year ended 31st December 2021 was £33,753, compared with £33,304 in the year ended 31st December 2020. The now well established system for processing submissions to the articles section of the Review continues to work well. Payments are also made to outside contractors for copy editing, proof reading and preparation of the annual index to the Review. This expenditure ensures that the company fulfils its obligations in relation to the production of the Review.

Administrative Assistance: Payment for this service, which is essential for the efficient running of the company, is made in accordance with the terms of an agreement between the company and the Law Department of the London School of Economics which was revised in 2005. The cost of this assistance was £10,000 in 2021.

Reserves: The present level of funding is adequate to support the continuation of the company and the Directors consider the position of the company to be satisfactory. The Directors are continuing to assess the possible impact of COVID 19 on the long-term outlook for the company.

Taxation Status: The company is a Registered Charity (Charity No. 264072) and as such is exempt from all Income and Corporation Tax liability.

Auditors: A resolution to reappoint Calder & Co. as auditors will be proposed at the Annual General Meeting of the company.

Public benefit statement under the Charities Act 2006

The Modern Law Review Ltd's charitable purpose is to advance education. In particular, the objects of the Modern Law Review Ltd are to promote legal education and the study of law and all other arts and sciences, in particular those which are of interest to those studying law, by such means as may be deemed desirable including the publication issue and circulation of a journal, the organisation of lectures and discussions, and the donation or founding of any scholarships, prizes or other rewards or distinctions.

The Review satisfied these aims for the public benefit in the following ways in 2021:

- By distributing £91,000 in scholarship awards for PhD students registered at UK universities.
- By distributing £9,210 in support of seminars to be held in 2022
- By awarding a prize of £750 for the best article published in the Review – the opportunity to submit an article to the Review is not limited by geographic location
- By offering free or very low cost access to the Review to 4,660 libraries in developing countries.

THE MODERN LAW REVIEW LIMITED

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Plans for the Future

The Directors have agreed to maintain the amount committed to the support of scholarships as up to £91,000 in 2022.

The Directors will continue to support academic seminars in areas of interest to readers of the MLR to a total of up to £15,000 in 2022.

The amount of the Wedderburn Prize for 2022 will be £750.

The Directors have agreed to allocate £14,000 to pay Bronze Open Access charges for submissions to the Modern Law Review.

The Directors are giving active consideration to other activities which fall within the scope of its principal objects of promoting legal education and the study of law and related disciplines.

Approved by order of the members of the board of Trustees on 16 June 2022 and signed on their behalf by:

M. J. W. Lobban

Michael Lobban
Secretary and Trustee

THE MODERN LAW REVIEW LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE MODERN LAW REVIEW LIMITED

Opinion

We have audited the financial statements of The Modern Law Review Limited (the 'charitable company') for the year ended 31 December 2021 which comprise the Statement of financial activities incorporating income and expenditure account, 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 Auditors' 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.

THE MODERN LAW REVIEW LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE MODERN LAW REVIEW LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' 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.
- 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.

THE MODERN LAW REVIEW LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE MODERN LAW REVIEW LIMITED (CONTINUED)

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.

Auditors' 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 Auditors' 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:

Discussions with and enquiries of management and those charged with governance were held with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

The following laws and regulations were identified as being of significance to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards, Company Law and distributable profits legislation.

With regards to laws and regulations relating to the operating aspects of the charitable company, these were discussed with management and were not considered fundamental to the operating of the business therefore should not have a material impact on the financial statements.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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 Auditors' report.

THE MODERN LAW REVIEW LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE MODERN LAW REVIEW LIMITED
(CONTINUED)

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 Auditors' 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.

Calders (1883) LLP

Philip Ewen (Senior statutory auditor)

for and on behalf of

Calders (1883) LLP

Statutory Auditor and Chartered Accountants

30 Orange Street

London

WC2H 7HF

16 June 2022

THE MODERN LAW REVIEW LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2021**

| | Note | Unrestricted funds 2021 £ | Total funds 2021 £ | <i>Total funds 2020 £</i> |
|---|------|------------------------------------|-----------------------------|---------------------------------------|
| Income from: | | | | |
| Charitable activities | 3 | 170,810 | 170,810 | 179,213 |
| Investments | 4 | 13,317 | 13,317 | 7,152 |
| Total income | | <u>184,127</u> | <u>184,127</u> | <u>186,365</u> |
| Expenditure on: | | | | |
| Charitable activities | 5 | 147,336 | 147,336 | 282,819 |
| Total expenditure | | <u>147,336</u> | <u>147,336</u> | <u>282,819</u> |
| Net income/(expenditure) before net gains on investments | | 36,791 | 36,791 | (96,454) |
| Net gains on investments | | 115,271 | 115,271 | 1,116 |
| Net movement in funds | | <u>152,062</u> | <u>152,062</u> | <u>(95,338)</u> |
| Reconciliation of funds: | | | | |
| Total funds brought forward | | 1,155,989 | 1,155,989 | 1,251,327 |
| Net movement in funds | | 152,062 | 152,062 | (95,338) |
| Total funds carried forward | | <u>1,308,051</u> | <u>1,308,051</u> | <u>1,155,989</u> |

The Statement of financial activities includes all gains and losses recognised in the year.
All incoming resources and resources expended derive from continuing activities.

The notes on pages 14 to 23 form part of these financial statements.

THE MODERN LAW REVIEW LIMITED
REGISTERED NUMBER: 00325282

BALANCE SHEET
AS AT 31 DECEMBER 2021

| | Note | 2021 £ | 2020 £ |
|--|------|-------------------------|-------------------------|
| Fixed assets | | | |
| Tangible assets | 10 | 400 | 400 |
| Investments | 11 | 1,140,502 | 1,011,914 |
| | | <u>1,140,902</u> | <u>1,012,314</u> |
| Current assets | | | |
| Debtors | 12 | 122,845 | 127,920 |
| Cash at bank and in hand | | 123,046 | 144,285 |
| | | <u>245,891</u> | <u>272,205</u> |
| Creditors: amounts falling due within one year | 13 | (78,742) | (128,530) |
| Net current assets | | <u>167,149</u> | <u>143,675</u> |
| Total net assets | | <u><u>1,308,051</u></u> | <u><u>1,155,989</u></u> |
| Charity funds | | | |
| Unrestricted funds | 14 | 1,308,051 | 1,155,989 |
| Total funds | | <u><u>1,308,051</u></u> | <u><u>1,155,989</u></u> |

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 16 June 2022 and signed on their behalf by:

M. J. W. Lobban

Michael Lobban
Trustee

The notes on pages 14 to 23 form part of these financial statements.

THE MODERN LAW REVIEW LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

| | 2021 £ | 2020 £ |
|---|----------------|----------------|
| Cash flows from operating activities | | |
| Net cash used in operating activities | (21,239) | (78,350) |
| Cash flows from investing activities | | |
| Income from investments | 13,317 | 7,152 |
| Purchase of investments | (13,317) | (7,150) |
| Net cash provided by investing activities | - | 2 |
| Change in cash and cash equivalents in the year | (21,239) | (78,348) |
| Cash and cash equivalents at the beginning of the year | 144,285 | 222,633 |
| Cash and cash equivalents at the end of the year | 123,046 | 144,285 |

The notes on pages 14 to 23 form part of these financial statements

THE MODERN LAW REVIEW LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

The Modern Law Review Limited is a charitable company limited by guarantee, incorporated in England and Wales, registration number 00325282, charity number 264072. The address of the registered office is Old Building, Houghton Street, London, WC2A 2AE.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The Modern Law Review Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Company status

The charitable company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charitable company.

2.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charitable company and which have not been designated for other purposes.

2.4 Income

All income is recognised once the charitable company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income from charitable activities includes income arising from a profit sharing agreement with publishers in respect of the publication of The Modern Law Review. The company's share of profits from sales of the Journal (60%) and from sales of back issues of the Bound Volumes (60%) is recognised as income.

Investment income is recognised as received.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Governance costs are those incurred in connection with administration of the charitable company and compliance with constitutional and statutory requirements.

Charitable activities and Governance costs are costs incurred on the charitable company's educational operations, including support costs and costs relating to the governance of the charitable company apportioned to charitable activities.

Seminar costs awards are recognised once a commitment has been entered into to support a Seminar. Scholarships and Early Career Fellowships are recognised as and when the commitment made results in the payment falling due.

Charitable activities costs include expenditure associated with the publication of The Modern Law Review, the cost of the annual Chorley lecture, Seminar costs, Scholarships and support costs relating to these activities. The company's share of Publishing costs in respect of the Journal (60%) and back issues of the Bound volumes (60%) are recognised as costs.

Governance costs include those incurred in the governance of the Charity and its assets and are primarily associated with constitutional and statutory requirements.

2.6 Investments

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

2.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charitable company; this is normally upon notification of the interest paid or payable by the Bank.

2.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.9 Cash at bank and in hand

Cash at bank and in hand includes 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.

2.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charitable company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities incorporating income and expenditure account as a finance cost.

3. Income from charitable activities

| | Unrestricted funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|--|------------------------------------|-----------------------------|-----------------------------|
| Journal income from profit sharing arrangement | 168,970 | 168,970 | 177,224 |
| Other royalties | 1,840 | 1,840 | 1,989 |
| | <u>170,810</u> | <u>170,810</u> | <u>179,213</u> |

4. Investment income

| | Unrestricted funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|--------------------------------|------------------------------------|-----------------------------|-----------------------------|
| Income from listed investments | 13,317 | 13,317 | 7,150 |
| Bank interest receivable | - | - | 2 |
| | <u>13,317</u> | <u>13,317</u> | <u>7,152</u> |

THE MODERN LAW REVIEW LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

5. Analysis of expenditure on charitable activities

Summary by fund type

| | Unrestricted funds 2021 £ | Total funds 2021 £ | <i>Total funds 2020 £</i> |
|-----------------------------|--|---------------------------------------|---------------------------------------|
| Charitable activities costs | 147,336 | 147,336 | 282,819 |

6. Analysis of expenditure by activities

| | Charitable activities costs 2021 £ | Total funds 2021 £ | <i>Total funds 2020 £</i> |
|--------------------|---|---------------------------------------|---------------------------------------|
| Unrestricted funds | 147,336 | 147,336 | 282,819 |

THE MODERN LAW REVIEW LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

6. Analysis of expenditure by activities (continued)

Analysis of charitable activities costs:

| | Unrestricted funds 2021 £ | Total funds 2021 £ | <i>Total funds 2020 £</i> |
|--|--|---------------------------------------|---------------------------------------|
| Scholarships granted | 91,000 | 91,000 | 90,000 |
| Early career fellowships | - | - | 110,000 |
| Wedderburn prize | 750 | 750 | 750 |
| Secretarial services | 10,000 | 10,000 | 10,000 |
| Administration costs | 17,208 | 17,208 | 16,843 |
| Annual dinner & Chorley lecture | 17,536 | 17,536 | 1,545 |
| Bank charges | 42 | 42 | 12 |
| General expenses | 428 | 428 | 2,215 |
| Seminar costs awards | 9,210 | 9,210 | 22,565 |
| Production assistance | 16,545 | 16,545 | 16,461 |
| Contribution towards editorial costs | (12,991) | (12,991) | (12,875) |
| Journal publishing costs share | 14,231 | 14,231 | 16,059 |
| Seminar costs awards prior years over required | (31,076) | (31,076) | (1,205) |
| Website design and development | 1,582 | 1,582 | 4,545 |
| Sponsorship | - | - | 1,500 |
| Legal and professional fees | 8,450 | 8,450 | - |
| Governance costs (see note 7) | 4,421 | 4,421 | 4,404 |
| | <u>147,336</u> | <u>147,336</u> | <u>282,819</u> |

7. Governance costs

| | 2021 £ | <i>2020 £</i> |
|----------------------------|---------------------|-------------------|
| Auditors' remuneration | 4,350 | 4,228 |
| Committee members expenses | 71 | 176 |
| | <u>4,421</u> | <u>4,404</u> |

THE MODERN LAW REVIEW LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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8. Auditors' remuneration

| | 2021 £ | 2020 £ |
|--|-----------|-----------|
| Fees payable to the charitable company's auditor for the audit of the charitable company's annual accounts | 4,350 | 4,228 |

9. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 December 2021, expenses totalling £71 were reimbursed or paid directly to 1 Trustee (2020 - £176 to 3 Trustees).

10. Tangible fixed assets

| | Office equipment £ |
|-----------------------|--------------------------|
| Cost | |
| At 1 January 2021 | 400 |
| At 31 December 2021 | 400 |
| Net book value | |
| At 31 December 2021 | 400 |
| At 31 December 2020 | 400 |

No provision for depreciation has been made. It is the opinion of the Trustees that the current value of the asset exceed the carrying value as above.

THE MODERN LAW REVIEW LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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11. Fixed asset investments

| | Listed securities £ |
|--------------------------|---------------------------|
| Cost or valuation | |
| At 1 January 2021 | 1,011,914 |
| Additions | 13,317 |
| Revaluations | 115,271 |
| At 31 December 2021 | <u>1,140,502</u> |

12. Debtors

| | 2021 £ | 2020 £ |
|----------------------------|----------------|----------------|
| Due within one year | | |
| Trade debtors | 121,095 | 127,920 |
| VAT repayable | 1,750 | - |
| | <u>122,845</u> | <u>127,920</u> |

13. Creditors: Amounts falling due within one year

| | 2021 £ | 2020 £ |
|-----------------|---------------|----------------|
| Other creditors | <u>78,742</u> | <u>128,530</u> |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

14. Statement of funds

Statement of funds - current year

| | Balance at 1 January 2021 £ | Income £ | Expenditure £ | Gains/ (Losses) £ | Balance at 31 December 2021 £ |
|---------------------------|--------------------------------------|----------------|------------------|-------------------------|---|
| Unrestricted funds | | | | | |
| General Funds | <u>1,155,989</u> | <u>184,127</u> | <u>(147,336)</u> | <u>115,271</u> | <u>1,308,051</u> |

Statement of funds - prior year

| | Balance at 1 January 2020 £ | Income £ | Expenditure £ | Gains/ (Losses) £ | Balance at 31 December 2020 £ |
|---------------------------|--------------------------------------|----------------|------------------|-------------------------|---|
| Unrestricted funds | | | | | |
| General Funds | <u>1,251,327</u> | <u>186,365</u> | <u>(282,819)</u> | <u>1,116</u> | <u>1,155,989</u> |

15. Summary of funds

Summary of funds - current year

| | Balance at 1 January 2021 £ | Income £ | Expenditure £ | Gains/ (Losses) £ | Balance at 31 December 2021 £ |
|---------------|--------------------------------------|----------------|------------------|-------------------------|---|
| General funds | <u>1,155,989</u> | <u>184,127</u> | <u>(147,336)</u> | <u>115,271</u> | <u>1,308,051</u> |

Summary of funds - prior year

| | Balance at 1 January 2020 £ | Income £ | Expenditure £ | Gains/ (Losses) £ | Balance at 31 December 2020 £ |
|---------------|--------------------------------------|----------------|------------------|-------------------------|---|
| General funds | <u>1,251,327</u> | <u>186,365</u> | <u>(282,819)</u> | <u>1,116</u> | <u>1,155,989</u> |

THE MODERN LAW REVIEW LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

16. Analysis of net assets between funds

Analysis of net assets between funds - current year

| | Unrestricted funds 2021 £ | Total funds 2021 £ |
|-------------------------------|------------------------------------|-----------------------------|
| Tangible fixed assets | 400 | 400 |
| Fixed asset investments | 1,140,502 | 1,140,502 |
| Current assets | 245,891 | 245,891 |
| Creditors due within one year | (78,742) | (78,742) |
| Total | 1,308,051 | 1,308,051 |

Analysis of net assets between funds - prior year

| | Unrestricted funds 2020 £ | Total funds 2020 £ |
|-------------------------------|------------------------------------|-----------------------------|
| Tangible fixed assets | 400 | 400 |
| Fixed asset investments | 1,011,914 | 1,011,914 |
| Current assets | 272,205 | 272,205 |
| Creditors due within one year | (128,530) | (128,530) |
| Total | 1,155,989 | 1,155,989 |

THE MODERN LAW REVIEW LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

17. Reconciliation of net movement in funds to net cash flow from operating activities

| | 2021 £ | 2020 £ |
|--|-----------------|-----------------|
| Net income/expenditure for the year (as per Statement of Financial Activities) | 152,062 | (95,338) |
| Adjustments for: | | |
| Gains on investments | (115,271) | (1,116) |
| Dividends and interest from investments | (13,317) | (7,152) |
| Decrease/(increase) in debtors | 5,075 | (6,792) |
| Increase/(decrease) in creditors | (49,788) | 32,048 |
| Net cash used in operating activities | (21,239) | (78,350) |

18. Analysis of cash and cash equivalents

| | 2021 £ | 2020 £ |
|--|----------------|----------------|
| Cash in hand | 123,046 | 144,285 |
| Total cash and cash equivalents | 123,046 | 144,285 |

19. Analysis of changes in net debt

| | At 1 January 2021 £ | Cash flows £ | At 31 December 2021 £ |
|--------------------------|------------------------------|-----------------|--------------------------------|
| Cash at bank and in hand | 144,285 | (21,239) | 123,046 |
| | 144,285 | (21,239) | 123,046 |