

THE INNER TEMPLE SCHOLARSHIP FUND

England & Wales · Charity number 285942

Details

Status Registered

Legal form Other

Registered 1982-12-21

Register [View on the Charity Commission register](#)

Contact

Address Hon. Society Of The Inner Temple
6 King's Bench Walk
Temple
London
EC4Y 7DR

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Activities

Objects: THE ADVANCEMENT OF LEGAL EDUCATION AMONG STUDENTS AND YOUNG BARRISTERS OF THE HONOURABLE SOCIETY OF THE INNER TEMPLE BY SUCH MEANS AS ARE CHARITABLE AND PARTICULARLY BY MEANS OF THE AWARD OF SCHOLARSHIPS AND GRANTS.

Activities: Providing financial support to the Honourable Society of the Inner Temple to grant scholarships and other awards to its members training to become barristers.

Classification

- **How:** Makes Grants To Organisations
- **What:** Education/training
- **Who:** Other Defined Groups

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£102,982	£164,368	-	-
2023-12-31	£88,933	£149,600	-	-
2022-12-31	£69,876	£127,251	-	-
2021-12-31	£88,015	£146,605	-	-
2020-12-31	£64,020	£108,002	-	-

Trustees

Name	Role	Appointed
David Michael Pittaway KC		2019-12-18
Penelope Jane Reed KC		2019-12-18
THE HON MR JUSTICE NUGEE		
THE RT HON SIR STEPHEN MILES TOMLINSON		

THE INNER TEMPLE SCHOLARSHIP FUND

England & Wales - Charity number 285942

Accounts



THE HONOURABLE SOCIETY OF
THE INNER TEMPLE

THE INNER TEMPLE SCHOLARSHIP FUND

Financial Statements

31st December 2024

Registered Charity No 285942

The Inner Temple Scholarship Fund

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The Inner Temple Scholarship Fund

Report of the Trustees for the year ended 31st December 2024

Objectives and activities

The Inner Temple Scholarship Fund is a registered charity established by gifts or legacies to advance legal education among students and junior barristers of the Honourable Society of the Inner Temple by such means as are charitable and particularly by means of the award of scholarships and grants.

The funds are all invested with Meridiem Investment Management. The investment policy is supervised on behalf of the Trustees by the Investment Committee of the Honourable Society of the Inner Temple. Decisions about the award of scholarships are made by the Scholarships Committee of the Honourable Society of the Inner Temple.

The Trustees have given due regard to the Charity Commission guidance on Public Benefit.

Achievements and performance

There were no significant changes to the eligibility criteria or the application process for scholarships, prizes and awards in the year. £77,630 (2023: £75,321) was contributed by the Fund to The Honourable Society of the Inner Temple towards the cost of scholarships awarded by the Inn during the year, together with £21,823 which was transferred to the Inner Temple Benefactors' Scholarship Fund to meet the balance of the cost of the Peter Taylor Scholarship (2023: £15,492).

The Fund will continue to distribute its surpluses to the Inn. Its investment policy is designed to maximise real returns on a rolling five-year view with emphasis on capital growth with income.

Financial review

All revenues are used for charitable activities. The Fund's investments achieved an overall return of 9.0% (2023: 12.4%) in the year. Investment values increased during the year with £619,932 of net realised and unrealised gains. Investment income of £100,728 was higher when compared to the previous year (2023: £87,736).

Principal risks and uncertainties

The Trustees have identified the major risks to which the fund is exposed and have satisfied themselves that adequate systems are in place to mitigate those risks.

The major risks are set out as follows:

- Currency risk: this is the risk that the fair value of future cash flows of a financial asset will fluctuate because of changes in foreign exchange rate;
- Interest rate risk: this is the risk that the fair value of future cash flows of a financial asset will fluctuate because of changes in the market interest rate;
- Other price risk: this is the risk that the fair value of future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risks), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Trustees aim to apply income as fully as possible in the year in which it arises. The level of funds at the year-end was £7,954,323 (2023: £7,395,777) and was fully represented by the permanent endowment fund. There was no balance in restricted income reserves as at 31st December 2024 (2023 – £nil).

The Inner Temple Scholarship Fund

Report of the Trustees for the year ended 31st December 2024 (continued) Reserves policy

Transfer between funds

Transfer between funds represents the movement between restricted income and endowment funds, relating to the investment income and fees paid to the investment managers.

There are no free unrestricted reserves at the year-end for the charity due to the nature of how the charity operates. All income is generated and recognised within restricted funds from endowed investments during the year and subsequently this is spent on underlying activities of the charity. The Charity's spend is adjusted to the income level generated in the year.

Structure governance and management

The Charity's Trustees are the four Governing Benchers elected by the Treasurer and Masters of the Bench of the Honourable Society of the Inner Temple to act as Trustees of the Honourable Society. Legal title to the Charity's investments is vested in the four Trustees. They act in accordance with decisions made by the appropriate committees of the Bench, provided they are satisfied that those decisions have been properly reached and are within the power of the committee. The committees which make decisions affecting the Charity are the Investment Committee and the Scholarships Committee.

New Trustees are advised of their role, duties and responsibilities on appointment, by reference to the Bench Table Orders of the Honourable Society of the Inner Temple.

Day-to-day management of the Charity is undertaken by the staff of the Honourable Society of the Inner Temple, acting in accordance with policies and procedures laid down by the Society.

The Charity's Trustees recognise the legal obligation to oversee and report on the Inner Temple Scholarship Fund's fundraising activities.

The Inner Temple Scholarship Fund does not use Direct Marketing for its fundraising activities and is not therefore registered with the Fundraising Regulator. It does not have any direct contact with vulnerable people hence no Vulnerable People Protection Policy is currently in place.

Any donations or bequests are welcome and given voluntarily, usually by members of the Inner Temple. Any Gift Aid forms are securely stored in order to protect donors' personal data. The personal data is used only for Gift Aid tax claims and is not used for mailing, distribution or other fundraising purposes. No Personal Data is sold to third parties.

Currently no third parties are used for fundraising purposes but if they are used in future the third parties would be expected to maintain a high standard of fundraising practice.

There were no fundraising complaints from donors or the general public in 2024 or any prior years. Any complaint would be taken seriously and investigated thoroughly.

Investment Committee

This Committee comprises Benchers and other members of the Honourable Society of the Inner Temple. Among the Bencher members are Honorary Benchers chosen for their particular expertise in investment matters. The Committee usually meets quarterly to review investment performance and to consider changes to policy. It is advised by an independent investment manager.

The Inner Temple Scholarship Fund

Report of the Trustees for the year ended 31st December 2024 (continued)

Scholarships Committee

This Committee comprises Benchers and other members of the Honourable Society of the Inner Temple. It meets throughout the year to set policy for the awarding of scholarships and to assess applications.

As a matter of course, the Fund distributes its entire net surplus to the Honourable Society of the Inner Temple as a contribution towards the greater cost of the Inn's scholarship awards.

Investments policy and performance

The Trustees aim to maximise real return on a rolling five-year view with emphasis on capital growth with income. Investment performance during the year equated to 9.0% (2023: +12.4%) net of fees. Investment income on the Charity's funds is paid out by the manager to generate funds for the payment of scholarships.

The Inner Temple Scholarship Fund

Report of the Trustees for the year ended 31st December 2024 (continued)

Reference and administration

Charity Name & No: The Inner Temple Scholarship Fund. Charity number: 285942

Governing Instrument: Declaration of trust dated 3rd November 1982

Trustees: The Trustees of the Inner Temple Scholarship Fund, set up by the declaration of trust, are:

The Rt Hon Sir Stephen Tomlinson
The Rt Hon Lord Justice Nugee
David Pittaway KC
Penelope Reed KC

Principal Address: Inner Temple
London EC4Y 7HL

Bankers: Royal Bank of Scotland
9-13 Paternoster Row
London EC4M 7EJ

Solicitors: Forsters LLP
31 Hill Street
London W1J 5LS

Lewis Silkin LLP
5 Chancery Lane
Clifford's Inn
London EC4A 1BL

Auditors: Crowe U.K. LLP
55 Ludgate Hill
London
EC4M 7JW

Investment Managers: Meridiem Investment Management LLP
Riverside House
2A Southwark Bridge Road
London SE1 9HA

Investment Powers: The Trustees have wide powers of investment.

The Inner Temple Scholarship Fund

Report of the Trustees for the year ended 31st December 2024 (continued)

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Annual Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity 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 in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 adequate accounting records that are sufficient to show and explain the charity's transactions, disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved for the Trustees on 11 June 2025 and signed on their behalf:

A handwritten signature in black ink, appearing to read 'Christopher Nugee', with a horizontal line underneath.

The Rt Hon Lord Justice Nugee
Trustee

The Inner Temple Scholarship Fund

Independent Auditor's Report to the Trustees of the Inner Temple Scholarship Fund

Opinion

We have audited the financial statements of the Inner Temple Scholarship Fund ('the charity') for the year ended 31 December 2024 which comprise the Statement of Financial Activities, the Balance sheet, the Cash Flow Statement and notes to the financial statements, including 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 charity's affairs as at 31 December 2024 and of 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 Charities Act 2011.

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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 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.

The Inner Temple Scholarship Fund

Independent Auditor's Report to the Trustees of the Inner Temple Scholarship Fund (continued)

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient and proper accounting records have not been kept by the charity; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section of the Charities Act 2011, and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

The Inner Temple Scholarship Fund

Independent Auditor's Report to the Trustees of the Inner Temple Scholarship Fund (continued)

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. We noted no additional laws and regulations in this context for the UK operations.

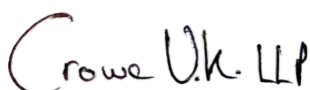
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Board about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Crowe U.K. LLP
Statutory Auditor

Crowe U.K. LLP
55 Ludgate Hill
London EC4M 7JW

Date: 16 June 2025

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

The Inner Temple Scholarship Fund

Statement of Financial Activities for the year ended 31st December 2024

	Notes	Restricted Income £	Permanent Endowment £	Total 2024 £	Restricted Income £	Permanent Endowment £	Total 2023 £
Incoming resources							
Donations and legacies							
Income from investments	2	100,728	-	100,728	87,736	-	87,736
Donations		500	-	500	-	-	-
Other Income		1,754	-	1,754	1,197	-	1,197
Total income and endowments		102,982	-	102,982	88,933	-	88,933
Expenditure on raising funds							
Investment managers' charges		64,915	-	64,915	58,787	-	58,787
Bank charges		-	-	-	-	-	-
		64,915	-	64,915	58,787	-	58,787
Expenditure on charitable activities							
Contribution to Peter Taylor Scholarship		21,823	-	21,823	15,492	-	15,492
Contributions towards total scholarships awarded by the Inner Temple		77,630	-	77,630	75,321	-	75,321
		99,453	-	99,453	90,813	-	90,813
Total expenditure		164,368	-	164,368	149,600	-	149,600
Net gains/ (losses) on investments	3d, 7	-	619,932	619,932	-	790,976	790,976
Net income/ (expenditure)		(61,386)	619,932	558,546	(60,667)	790,976	730,309
Transfer between funds		61,386	(61,386)	-	60,667	(60,667)	-
Net movement in funds		-	558,546	558,546	-	730,309	730,309
Fund balances brought forward							
At 1 st January 2024		-	7,395,777	7,395,777	-	6,665,468	6,665,468
Fund balances carried forward							
At 31st December 2024		-	7,954,323	7,954,323	-	7,395,777	7,395,777

All the above amounts relate to continuing activities.
The notes on pages 13 to 18 form part of these financial statements.

The Inner Temple Scholarship Fund

Balance sheet as at 31st December 2024

	Notes	Restricted Income £	Permanent Endowment £	Total 2024 £	Total 2023 £
Fixed assets					
Investments	3	-	<u>7,954,323</u>	<u>7,954,323</u>	<u>7,395,777</u>
Current assets					
Debtors	4	11,514	-	11,514	12,280
Bank		<u>106,686</u>	-	<u>106,686</u>	<u>95,758</u>
		<u>118,200</u>	-	<u>118,200</u>	<u>108,038</u>
Creditors: amounts falling due within one year	5	<u>(118,200)</u>	-	<u>(118,200)</u>	<u>(108,038)</u>
Net current assets		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets less current liabilities		<u>-</u>	<u>7,954,323</u>	<u>7,954,323</u>	<u>7,395,777</u>
Represented by: The Inner Temple Scholarship Fund	1h, 8	<u>-</u>	<u>7,954,323</u>	<u>7,954,323</u>	<u>7,395,777</u>

The financial statements on pages 10 to 18 were approved and authorised for issue by the Trustees on 11 June 2025 and signed on their behalf:



The Rt Hon Lord Justice Nugee
Trustee

The notes on pages 13 to 18 form part of these financial statements.

The Inner Temple Scholarship Fund

Cash flow statement

For the year ended 31st December 2024

	<u>Note</u>	<u>2024</u>	<u>2023</u>
<u>Net cash underprovided by operating activities</u>	11	<u>(153,706)</u>	<u>(127,593)</u>
<u>Cash flow from investment activities</u>			
Dividends and interest from investments		103,248	85,832
Proceeds of sale of investments		1,366,604	1,125,673
Purchase of investment		<u>(1,305,218)</u>	<u>(1,065,006)</u>
<u>Net cash provided by investing activities</u>		<u>164,634</u>	<u>146,499</u>
		<hr/>	<hr/>
Change in cash and equivalents in the reporting period		<u>10,928</u>	<u>18,906</u>
Cash and cash equivalents at the beginning of the reporting period	12	<u>95,758</u>	<u>76,852</u>
<u>Cash and cash equivalents at the end of the reporting period</u>	12	<u>106,686</u>	<u>95,758</u>

The notes on pages 13 to 18 form part of these financial statements.

The Inner Temple Scholarship Fund

Notes to the financial statements for the year ended 31st December 2024

1. Accounting policies

a) Basis of accounting

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2019.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Inner Temple Scholarship Fund constitutes a public benefit entity as defined by FRS 102.

After making enquires, the Trustees have a reasonable expectation that the charity has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Trustees Responsibilities on page 6.

Having regard to the above, the current cash position, and expected cashflow over the following twelve months the Trustees believe it is appropriate to adopt the going concern basis of accounting in preparing the financial statements.

b) Critical accounting judgements and key sources of estimation uncertainty

Sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described in the accounting policies. No specific accounting judgements and uncertainties have been identified for the current year.

c) Investments

Investments are included in the accounts at fair value. Net realised and unrealised gains and losses are reflected in the Statement of Financial Activities as net gains/losses on investments.

d) Incoming resources

Donations, interest and investment income are accounted for when receivable. Legacies are accounted for when entitlement has been granted and the income is probable and measurable.

e) Resources expended

Direct charitable expenditure comprises services supplied and activities undertaken, which are identifiable as wholly or mainly in support of the charity's objectives. The costs of generating funds relate to the management of the charity's assets. The Charity has no direct employees or support costs in running the organisation.

The Inner Temple Scholarship Fund

Notes to the financial statements for the year ended 31st December 2024 (continued)

f) **The Inner Temple Scholarship Fund**

The Inner Temple Scholarship Fund is an approved charity registered with The Charity Commissioners in 1982.

g) **Taxation**

The Inner Temple Scholarship Fund is a registered charity and taxation is not applicable.

h) **Permanent endowments**

These comprise funds donated by the Honourable Society of the Inner Temple for the purposes of generating income to support students wishing to train as barristers.

i) **Financial instruments**

The Inner Temple Scholarship Fund has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise bank loans and overdrafts, trade and other creditors.

Investments, including bonds held as part of an investment portfolio are held at market value at the Balance Sheet date, with gains and losses being recognised within income and expenditure.

2. **Investment income**

	2024	2023
	£	£
UK equities	11,885	8,037
Foreign equities	39,265	41,410
Fixed income	49,578	38,289
	<u>100,728</u>	<u>87,736</u>

3. **Investments**

(a) **Reconciliation of movement in investment assets**

	2024	2023
	£	£
Market value at 1 st January	7,395,777	6,665,468
Additions to investments at cost	958,162	812,834
Disposals at carrying value	(1,040,509)	(867,214)
Unrealised gains for the year	640,893	784,689
Market value at 31 st December	<u>7,954,323</u>	<u>7,395,777</u>

The Inner Temple Scholarship Fund

Notes to the financial statements for the year ended 31st December 2024 (continued)

(b) Analysis of investments:

	2024	2023
	£	£
UK equities	1,069,656	697,952
Foreign equities	4,387,147	4,372,389
Fixed income	1,946,207	1,954,826
Cash	551,313	370,610
	<u>7,954,323</u>	<u>7,395,777</u>
Historical cost at 31 st December	<u>5,621,249</u>	<u>5,356,541</u>

(c) Reconciliation of movements in unrealised gains on

Investment assets	2024	2023
	£	£
Unrealised gain at 1 st January	2,039,237	1,506,719
Gain written back on disposal	(347,056)	(252,171)
Gain on revaluation	640,893	784,689
	<u>2,333,074</u>	<u>2,039,237</u>
Unrealised gain at 31 st December	<u>2,333,074</u>	<u>2,039,237</u>

(d) Net gain on investment

	2024	2023
	£	£
Unrealised gain	640,893	784,689
Realised gain/ (loss)	(20,961)	6,287
	<u>619,932</u>	<u>790,976</u>
Net gain at 31 st December	<u>619,932</u>	<u>790,976</u>

4. Debtors

	2024	2023
	£	£
Dividend income	11,514	12,280
	<u>11,514</u>	<u>12,280</u>

5. Creditors: Amounts falling due within one year

	2024	2023
	£	£
Amount due to The Honourable Society of The Inner Temple	77,130	75,321
Amount due to The Peter Taylor Scholarship Fund	21,823	15,492
Accrued expenditure	19,247	17,225
	<u>118,200</u>	<u>108,038</u>

The Inner Temple Scholarship Fund

Notes to the financial statements for the year ended 31st December 2024 (continued)

6. Financial instruments

	2024	2023
	£	£
Financial assets measured at amortised cost	11,514	12,280
Financial assets measured at fair value	7,954,323	7,395,776
Financial liabilities measured at amortised cost	118,200	108,038

The Trust's income, expense, gains and losses in respect of these financial instruments are summarised below:

	2024	2023
	£	£
Total income for financial assets held at fair value	11,514	12,280
Total gains for financial assets held at fair value	2,447,876	2,235,132
Total losses for financial assets held at fair value	114,802	195,895

7. Funds

(a) Permanent Endowment Funds

	Balance at 1st Jan 2024	Capital Additions	Gains	Transfers	Balance at 31st Dec 2024
	£	£	£		£
The Inner Temple Scholarship Fund	7,395,777	-	619,932	(61,386)	7,954,323

	Balance at 1st Jan 2023	Capital Additions	Losses	Transfers	Balance at 31st Dec 2023
	£	£	£		£
The Inner Temple Scholarship Fund	6,665,468	-	790,976	(60,667)	7,395,777

(b) Restricted Income Funds

	Balance at 1st Jan 2024	Income	Expenditure	Transfers	Balance at 31st Dec 2024
	£	£	£	£	£
The Inner Temple Scholarship Fund	-	102,982	(164,368)	61,386	-

	Balance at 1st Jan 2023	Income	Expenditure	Transfers	Balance at 31st Dec 2023
	£	£	£	£	£
The Inner Temple Scholarship Fund	-	88,933	(149,600)	60,667	-

The Inner Temple Scholarship Fund

Notes to the financial statements for the year ended 31st December 2024 (continued)

8. Analysis of net assets

	2024	2023
	£	£
Fixed assets:		
Investments	7,954,323	7,395,777
Current assets:		
Debtors	11,514	12,280
Cash at bank and in hand	106,686	95,758
Creditors: amounts falling due within one year	<u>(118,200)</u>	<u>(108,038)</u>
	<u>7,954,323</u>	<u>7,395,777</u>

9. Audit fees

The Charity's audit fees are paid by the Honourable Society of the Inner Temple. Inner Temple paid £4,500 ex VAT on account of the audit fees in 2024 (2023: £4,280 ex VAT).

10. Trustees

None of the Trustees received any reimbursement of expenses or remuneration for their services during the year.

11. Reconciliation of net income to net cash flow from operating activities

	2024	2023
	£	£
Net income for the reporting period	558,546	730,309
Gains on investments	(619,932)	(790,976)
Dividends	(100,728)	(87,736)
Other income	(1,754)	(1,197)
	<u>(163,868)</u>	<u>(149,600)</u>
Operating deficit	(163,868)	(149,600)
Increase in creditors	10,162	22,007
Net cash used in operating activities	<u>(153,706)</u>	<u>(127,593)</u>

12. Cashflow

(a) Analysis of short-term deposits and cash at bank as shown in the balance sheet

	<u>At 1st Jan</u>	<u>Cash</u>	<u>At 31st Dec</u>
	<u>2024</u>	<u>flow</u>	<u>2024</u>
Short-term deposits	70,758	10,928	81,686
Cash at bank	25,000	-	25,000
Cash and bank balances	<u>95,758</u>	<u>10,928</u>	<u>106,686</u>

The Inner Temple Scholarship Fund

Notes to the financial statements for the year ended 31st December 2024 (continued)

(b) Reconciliation of net cash flow to movement in net cash

Increase in cash and short-term deposits	<u>10,928</u>
Movement in net debt	
Net cash at 1 st January 2024	<u>95,758</u>
Net cash at 31 st December 2024	<u><u>106,686</u></u>

13. Related party transactions

The Inner Temple Scholarship Fund distributes the residual surplus of the restricted income fund to the Honourable Society of the Inner Temple. The fund accounted for a contribution of £77,630 towards the cost of the Inn's scholarship awards in 2024 (2023: £75,321). The amount of £77,130 in creditors (Note 5) represents the contribution due to the Inner Temple as at 31st December 2024 (2023: £75,321), set against a donation due from the Inner Temple of £500 (2023: nil). This balance is unsecured, interest free and payable on demand.

The Inner Temple paid the Inner Temple Scholarship Fund's audit fees of £4,500 ex VAT in 2024 (2023: £4,280 ex VAT).

In the reporting period the Inner Temple Scholarship Fund transferred £75,321 (2023: £59,139) to the Honourable Society of the Inner Temple to clear the brought forward inter-company balance.

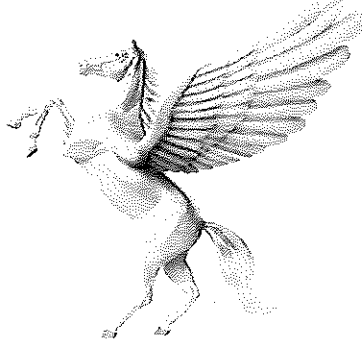
The Inner Temple Scholarship Fund also contributed £21,823 to the Inner Temple Benefactors' Scholarship Fund to meet the balance of the cost of the Peter Taylor Scholarship in 2024 (2023: £15,492). The amount of £21,823 in creditors (note 5) represents the contribution due to Peter Taylor (2023: £15,492).

In the reporting period the Inner Temple Scholarship Fund transferred £15,492 (2023: £10,617) to the Inner Temple Benefactors' Scholarship Fund to clear the brought forward inter-company balance.

THE INNER TEMPLE SCHOLARSHIP FUND

England & Wales - Charity number 285942

Accounts



THE INNER TEMPLE SCHOLARSHIP FUND

Financial Statements

31st December 2023

Registered Charity No 285942

The Inner Temple Scholarship Fund

**Index to the financial statements
for the year ended 31st December 2023**

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The Inner Temple Scholarship Fund

Report of the Trustees for the year ended 31st December 2023

Objectives and activities

The Inner Temple Scholarship Fund is a registered charity established by gifts or legacies to advance legal education among students and junior barristers of the Honourable Society of the Inner Temple by such means as are charitable and particularly by means of the award of scholarships and grants.

The funds are all invested with Meridiem (formerly Veritas) Investment Management. Investment policy is supervised on behalf of the Trustees by the Investment Committee of the Honourable Society of the Inner Temple. Decisions about the award of scholarships are made by the Scholarships Committee of the Honourable Society of the Inner Temple.

The Trustees have given due regard to the Charity Commission guidance on Public Benefit.

Achievements and performance

There were no significant changes to the eligibility criteria or the application process for scholarships, prizes and awards in the year. £75,321 (2022 - £59,139) was contributed by the Fund to The Honourable Society of the Inner Temple towards the cost of scholarships awarded by the Inn during the year, together with £15,492 which was transferred to the Inner Temple Benefactors' Scholarship Fund to meet the balance of the cost of the Peter Taylor Scholarship (2022 - 10,617).

The Fund will continue to distribute its surpluses to the Inn. Its investment policy is designed to maximise real returns on a rolling five-year view with emphasis on capital growth with income.

Financial review

All revenues are used for charitable activities. The Fund's investments achieved an overall return of 12.4% (2022: 8.5%) in the year. Investment values increased during the year with £790,976 of realised and unrealised gains. Investment income of £88,932 was higher when compared to the previous year (2022 - £69,876).

Principal risks and uncertainties

The Trustees have identified the major risks to which the fund is exposed and have satisfied themselves that adequate systems are in place to mitigate those risks.

The major risks are set out as follows:

- Currency risk: this is the risk that the fair value of future cash flows of a financial asset will fluctuate because of changes in foreign exchange rate;
- Interest rate risk: this is the risk that the fair value of future cash flows of a financial asset will fluctuate because of changes in the market interest rate;
- Other price risk: this is the risk that the fair value of future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risks), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Trustees aim to apply income as fully as possible in the year in which it arises. The level of funds at the year-end was £ 7,395,777 (2022 - £6,665,468) and was fully represented by the permanent endowment fund. There was no balance in restricted income reserves as at 31st December 2023 (2022 – £NIL).

The Inner Temple Scholarship Fund

Report of the Trustees for the year ended 31st December 2023 (continued) Reserves policy

Transfer between funds

Transfer between funds represents the movement between restricted income and endowment funds, relating to the investment income and fees paid to the investment managers.

There are no free unrestricted reserves at the year-end for the charity due to the nature of how the charity operates. All income is generated and recognised within restricted funds from endowed investments during the year and subsequently this is spent on underlying activities of the charity. The Charity's spend is adjusted to the income level generated in the year.

Structure governance and management

The Charity's Trustees are the four Governing Benchers elected by the Treasurer and Masters of the Bench of the Honourable Society of the Inner Temple to act as Trustees of the Honourable Society. Legal title to the Charity's investments is vested in the four Trustees. They act in accordance with decisions made by the appropriate committees of the Bench, provided they are satisfied that those decisions have been properly reached and are within the power of the committee. The committees which make decisions affecting the Charity are the Investment Committee and the Scholarships Committee.

New Trustees are advised of their role, duties and responsibilities on appointment, by reference to the Bench Table Orders of the Honourable Society of the Inner Temple.

Day-to-day management of the Charity is undertaken by the staff of the Honourable Society of the Inner Temple, acting in accordance with policies and procedures laid down by the Society.

The Charity's Trustees recognise the legal obligation to oversee and report on the Inner Temple Scholarship Fund's fundraising activities.

The Inner Temple Scholarship Fund does not use Direct Marketing for its fundraising activities and is not therefore registered with the Fundraising Regulator. It does not have any direct contact with vulnerable people hence no Vulnerable People Protection Policy is currently in place.

Any donations or bequests are welcome and given voluntarily, usually by members of the Inner Temple. Any Gift Aid forms are securely stored in order to protect donors' personal data. The personal data is used only for Gift Aid tax claims and is not used for mailing, distribution or other fundraising purposes. No Personal Data is sold to third parties.

Currently no third parties are used for fundraising purposes but if they are used in future the third parties would be expected to maintain a high standard of fundraising practice.

There were no fundraising complaints from donors or the general public in 2023 or any prior years. Any complaint would be taken seriously and investigated thoroughly.

Investment Committee

This Committee comprises Benchers and other members of the Honourable Society of the Inner Temple. Among the Bencher members are Honorary Benchers chosen for their particular expertise in investment matters. The Committee meets quarterly to review investment performance and to consider changes to policy. It is advised by an independent investment manager.

The Inner Temple Scholarship Fund

Report of the Trustees for the year ended 31st December 2023 (continued)

Scholarships Committee

This Committee comprises Benchers and other members of the Honourable Society of the Inner Temple. It meets throughout the year to set policy for the awarding of scholarships and to assess applications.

As a matter of course, the Fund distributes its entire net surplus to the Honourable Society of the Inner Temple as a contribution towards the greater cost of the Inn's scholarship awards.

Investments policy and performance

The Trustees aim to maximise real return on a rolling five-year view with emphasis on capital growth with income. Investment performance during the year equated to 12.4% (2022: -8.5%) net of fees. Investment income on the Charity's funds is paid out by the manager to generate funds for the payment of scholarships.

The Inner Temple Scholarship Fund

Report of the Trustees for the year ended 31st December 2023 (continued)

Reference and administration

Charity Name & No: The Inner Temple Scholarship Fund. Charity number: 285942

Governing Instrument: Declaration of trust dated 3rd November 1982

Trustees: The Trustees of the Inner Temple Scholarship Fund, set up by the declaration of trust, are:

The Rt Hon Sir Stephen Tomlinson
The Rt Hon Lord Justice Nugee
David Pittaway KC
Penelope Reed KC

Principal Address: Inner Temple
London EC4Y 7HL

Bankers: Royal Bank of Scotland
9-13 Paternoster Row
London EC4M 7EJ

Solicitors: Forsters LLP
31 Hill Street
London W1J 5LS

Lewis Silkin LLP
5 Chancery Lane
Clifford's Inn
London EC4A 1BL

Auditors: Crowe U.K. LLP
55 Ludgate Hill
London
EC4M 7JW

Investment Managers: Meridiem (formerly Veritas) Investment Management LLP
Riverside House
2A Southwark Bridge Road
London SE1 9HA

Investment Powers: The Trustees have wide powers of investment.

The Inner Temple Scholarship Fund

Report of the Trustees for the year ended 31st December 2023 (continued)

Statement of Trustees' responsibilities

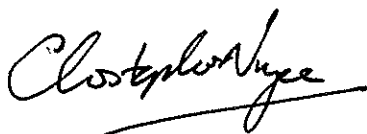
The Trustees are responsible for preparing the Annual Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity 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 in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 adequate accounting records that are sufficient to show and explain the charity's transactions, disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved for the Trustees on 9 July 2024 and signed on their behalf:



The Rt Hon Lord Justice Nugee
Trustee

The Inner Temple Scholarship Fund

Independent Auditor's Report to the Trustees of the Inner Temple Scholarship Fund

Opinion

We have audited the financial statements of the Inner Temple Scholarship Fund ('the charity') for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Balance sheet, the Cash Flow Statement and notes to the financial statements, including 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 charity's affairs as at 31 December 2023 and of 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 Charities Act 2011.

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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 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.

The Inner Temple Scholarship Fund

Independent Auditor's Report to the Trustees of the Inner Temple Scholarship Fund (continued)

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient and proper accounting records have not been kept by the charity; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section of the Charities Act 2011, and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

The Inner Temple Scholarship Fund

Independent Auditor's Report to the Trustees of the Inner Temple Scholarship Fund (continued)

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. We noted no additional laws and regulations in this context for the UK operations.

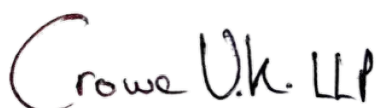
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Board about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Crowe U.K. LLP
Statutory Auditor

Crowe U.K. LLP
55 Ludgate Hill
London EC4M 7JW

Date: 15 July 2024

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

The Inner Temple Scholarship Fund

Statement of Financial Activities for the year ended 31st December 2023

	Notes	Restricted Income £	Permanent Endowment £	Total 2023 £	Restricted Income £	Permanent Endowment £	Total 2022 £
Incoming resources							
Donations and legacies							
Income from investments	2	87,736	-	87,736	69,619	-	69,619
Donations		-	-	-	-	-	-
Other Income		1,197	-	1,197	257	-	257
Total income and endowments		88,933	-	88,933	69,876	-	69,876
Expenditure on raising funds							
Investment managers' charges		58,787	-	58,787	57,494	-	57,494
Bank charges		-	-	-	1	-	1
		58,787	-	58,787	57,495	-	57,495
Expenditure on charitable activities							
Contribution to Peter Taylor Scholarship		15,492	-	15,492	10,617	-	10,617
Contributions towards total scholarships awarded by the Inner Temple		75,321	-	75,321	59,139	-	59,139
		90,813	-	90,813	69,756	-	69,756
Total expenditure		149,600	-	149,600	127,251	-	127,251
Net gains/ (losses) on investments	3d	-	790,976	790,976	-	(634,604)	(634,604)
Net income/ (expenditure)		(60,667)	790,976	730,309	(57,375)	(634,604)	(691,979)
Transfer between funds		60,667	(60,667)	-	57,375	(57,375)	-
Net movement in funds		-	730,309	730,309	-	(691,979)	(691,979)
Fund balances brought forward							
At 1 st January 2023		-	6,665,468	6,665,468	-	7,357,447	7,357,447
Fund balances carried forward At 31st December 2023		-	7,395,777	7,395,777	-	6,665,468	6,665,468

All the above amounts relate to continuing activities.

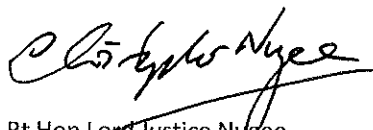
The notes on pages 13 to 18 form part of these financial statements.

The Inner Temple Scholarship Fund

Balance sheet as at 31st December 2023

	Notes	Restricted Income £	Permanent Endowment £	Total 2023 £	Total 2022 £
Fixed assets					
Investments	3	-	<u>7,395,777</u>	<u>7,395,777</u>	<u>6,665,468</u>
Current assets					
Debtors	4	12,280	-	12,280	9,179
Bank		<u>95,758</u>	-	<u>95,758</u>	<u>76,852</u>
		<u>108,038</u>	-	<u>108,038</u>	<u>86,031</u>
Creditors: amounts falling due within one year	5	<u>(108,038)</u>	-	<u>(108,038)</u>	<u>(86,031)</u>
Net current assets		-	-	-	-
Total assets less current liabilities		-	<u>7,395,777</u>	<u>7,395,777</u>	<u>6,665,468</u>
Represented by: The Inner Temple Scholarship Fund	1h, 8	-	<u>7,395,777</u>	<u>7,395,777</u>	<u>6,665,468</u>

The financial statements on pages 10 to 18 were approved and authorised for issue by the Trustees on 9 July 2024 and signed on their behalf:



The Rt Hon Lord Justice Nugee
Trustee

The notes on pages 13 to 18 form part of these financial statements.

The Inner Temple Scholarship Fund

Cash flow statement

For the year ended 31st December 2023

	<u>Note</u>	<u>2023</u>	<u>2022</u>
<u>Net cash underprovided by operating activities</u>	11	<u>(127,593)</u>	<u>(148,780)</u>
<u>Cash flow from investment activities</u>			
Dividends and interest from investments		85,832	69,410
Proceeds of sale of investments		1,125,673	1,439,598
Purchase of investment		<u>(1,065,006)</u>	<u>(1,382,223)</u>
<u>Net cash provided by investing activities</u>		<u>146,499</u>	<u>126,785</u>
Cash and cash equivalents in the reporting period		<u>18,906</u>	<u>(21,995)</u>
Cash and cash equivalents at the beginning of the reporting period	12	<u>76,852</u>	<u>98,847</u>
<u>Cash and cash equivalents at the end of the reporting period</u>	12	<u>95,758</u>	<u>76,852</u>

The notes on pages 13 to 18 form part of these financial statements.

The Inner Temple Scholarship Fund

Notes to the financial statements for the year ended 31st December 2023

1. Accounting policies

a) Basis of accounting

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2019.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Inner Temple Scholarship Fund constitutes a public benefit entity as defined by FRS 102.

After making enquires, the Trustees have a reasonable expectation that the charity has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Trustees Responsibilities on page 6.

Having regard to the above, the current cash position, and expected cashflow over the following twelve months the Trustees believe it is appropriate to adopt the going concern basis of accounting in preparing the financial statements.

b) Critical accounting judgements and key sources of estimation uncertainty

Sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described in the accounting policies. No specific accounting judgements and uncertainties have been identified for the current year.

c) Investments

Investments are included in the accounts at fair value. Net realised and unrealised gains and losses are reflected in the Statement of Financial Activities as net gains/losses on investments.

d) Incoming resources

Donations, interest and investment income are accounted for when receivable. Legacies are accounted for when entitlement has been granted and the income is probable and measurable.

e) Resources expended

Direct charitable expenditure comprises services supplied and activities undertaken, which are identifiable as wholly or mainly in support of the charity's objectives. The costs of generating funds relate to the management of the charity's assets. The Charity has no direct employees or support costs in running the organisation.

The Inner Temple Scholarship Fund

Notes to the financial statements for the year ended 31st December 2023 (continued)

f) **The Inner Temple Scholarship Fund**

The Inner Temple Scholarship Fund is an approved charity registered with The Charity Commissioners in 1982.

g) **Taxation**

The Inner Temple Scholarship Fund is a registered charity and taxation is not applicable.

h) **Permanent endowments**

These comprise funds donated by the Honourable Society of the Inner Temple for the purposes of generating income to support students wishing to train as barristers.

i) **Financial instruments**

The Inner Temple Scholarship Fund has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise bank loans and overdrafts, trade and other creditors.

Investments, including bonds held as part of an investment portfolio are held at market value at the Balance Sheet date, with gains and losses being recognised within income and expenditure.

2. **Investment income**

	2023	2022
	£	£
UK equities	8,037	10,964
Foreign equities	41,410	35,814
Fixed income	38,289	22,841
	<u>87,736</u>	<u>69,619</u>

3. **Investments**

(a) **Reconciliation of movement in investment assets**

	2023	2022
	£	£
Market value at 1 st January 2023	6,665,468	7,357,447
Additions to investments at cost	812,834	983,757
Disposals at carrying value	(867,214)	(1,087,828)
Unrealised gains/ (loss) for the year	784,689	(587,908)
Market value at 31 st December 2023	<u>7,395,777</u>	<u>6,665,468</u>

The Inner Temple Scholarship Fund

Notes to the financial statements for the year ended 31st December 2023 (continued)

(b) Analysis of investments:

	2023	2022
	£	£
UK equities	697,952	427,039
Foreign equities	4,372,389	3,989,355
Fixed income	1,954,826	1,763,319
Cash	370,610	485,755
	<u>7,395,777</u>	<u>6,665,468</u>
Historical cost at 31 st December	<u>5,356,541</u>	<u>5,158,749</u>

(c) Reconciliation of movements in unrealised gains on

Investment assets	2023	2022
	£	£
Unrealised gain at 1 st January 2023	1,506,719	2,429,604
Gain written back on disposal	(252,171)	(334,977)
Gain/ (loss) on revaluation	784,689	(587,908)
	<u>2,039,237</u>	<u>1,506,719</u>
Unrealised gain at 31 st December 2023	<u>2,039,237</u>	<u>1,506,719</u>

(d) Net gain on investment

	2023	2022
	£	£
Unrealised gain/ (loss)	784,689	(587,908)
Realised gain/ (loss)	6,287	(46,696)
	<u>790,976</u>	<u>(634,604)</u>
Net gain/ (loss) at 31 st December 2023	<u>790,976</u>	<u>(634,604)</u>

4. Debtors

	2023	2022
	£	£
Dividend income	12,280	9,179
	<u>12,280</u>	<u>9,179</u>

5. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Amount due to The Honourable Society of The Inner Temple	75,321	59,139
Amount due to The Peter Taylor Scholarship Fund	15,492	10,617
Accrued expenditure	17,225	16,275
	<u>108,038</u>	<u>86,031</u>

The Inner Temple Scholarship Fund

Notes to the financial statements for the year ended 31st December 2023 (continued)

6. Financial instruments

	2023	2022
	£	£
Financial assets measured at amortised cost	12,280	9,179
Financial assets measured at fair value	7,395,776	6,665,468
Financial liabilities measured at amortised cost	108,038	86,031

The Trust's income, expense, gains and losses in respect of these financial instruments are summarised below:

	2023	2022
	£	£
Total income for financial assets held at fair value	12,280	9,179
Total gains for financial assets held at fair value	2,235,132	1,260,800
Total losses for financial assets held at fair value	195,895	245,919

7. Funds

(a) Permanent Endowment Funds

	Balance at 1 st Jan 2023	Capital Additions	Gains	Transfers	Balance at 31 st Dec 2023
	£	£	£		£
The Inner Temple Scholarship Fund	6,665,468	-	790,976	(60,667)	7,395,777

	Balance at 1 st Jan 2022	Capital Additions	Losses	Transfers	Balance at 31 st Dec 2022
	£	£	£		£
The Inner Temple Scholarship Fund	7,357,447	-	(634,604)	(57,375)	6,665,468

(b) Restricted Income Funds

	Balance at 1 st Jan 2023	Income	Expenditure	Transfers	Balance at 31 st Dec 2023
	£	£	£	£	£
The Inner Temple Scholarship Fund	-	88,933	(149,600)	60,667	-

	Balance at 1 st Jan 2022	Income	Expenditure	Transfers	Balance at 31 st Dec 2022
	£	£	£	£	£
The Inner Temple Scholarship Fund	-	69,876	(127,251)	57,375	-

The Inner Temple Scholarship Fund

Notes to the financial statements for the year ended 31st December 2023 (continued)

8. Analysis of net assets

	2023	2022
	£	£
Fixed assets:		
Investments	7,395,777	6,665,468
Current assets:		
Debtors	12,280	9,179
Cash at bank and in hand	95,758	76,852
Creditors: amounts falling due within one year	<u>(108,038)</u>	<u>(86,031)</u>
	<u>7,395,777</u>	<u>6,665,468</u>

9. Audit fees

The Charity's audit fees are paid by the Honourable Society of the Inner Temple. Inner Temple paid £4,280 ex VAT on account of the audit fees in 2023 (2022 - £4,075 ex VAT).

10. Trustees

None of the Trustees received any reimbursement of expenses or remuneration for their services during the year.

11. Reconciliation of cash inflow from operating activities

	2023	2022
	£	£
Net income/ (expenditure) for the reporting period	730,309	(691,979)
(Gains)/ losses on investments	(790,976)	634,604
Dividends	(87,736)	(69,619)
Other income	(1,197)	(257)
	<u>(149,600)</u>	<u>(127,251)</u>
Operating deficit	(149,600)	(127,251)
Increase/ (decrease) in creditors	22,007	(21,529)
Net cash underprovided by operating activities	<u>(127,593)</u>	<u>(148,780)</u>

12. Cashflow

(a) Analysis of short-term deposits and cash at bank as shown in the balance sheet

	<u>At 1st Jan</u>	<u>Cash flow</u>	<u>At 31st Dec</u>
	<u>2023</u>		<u>2023</u>
Short-term deposits	51,852	18,906	70,758
Cash at bank	<u>25,000</u>	-	<u>25,000</u>
Cash and bank balances	<u>76,852</u>	<u>18,906</u>	<u>95,758</u>

The Inner Temple Scholarship Fund

Notes to the financial statements for the year ended 31st December 2023 (continued)

(b) Reconciliation of net cash flow to movement in net cash

Increase in cash and short-term deposits	18,906
Movement in net debt	
Net cash at 1 st January 2023	76,852
Net cash at 31 st December 2023	<u>95,758</u>

13. Related party transactions

The Inner Temple Scholarship Fund distributes the residual surplus of the restricted income fund to the Honourable Society of the Inner Temple. The fund accounted for a contribution of £75,321 towards the cost of the Inn's scholarship awards in 2023 (2022 - £59,139). The amount of £75,321 in creditors (Note 5) represents the contribution due to the Inner Temple as at 31st December 2023 (2022 - £59,139). This balance is unsecured, interest free and payable on demand.

The Inner Temple paid the Inner Temple Scholarship Fund's audit fees of £4,280 ex VAT in 2023 (2022 - £4,075 ex VAT).

In the reporting period the Inner Temple Scholarship Fund transferred £59,139 (2022 – £90,412) to the Honourable Society of the Inner Temple.

The Inner Temple Scholarship Fund also transferred £15,492 to the Inner Temple Benefactors' Scholarship Fund to meet the balance of the cost of the Peter Taylor Scholarship in 2023 (2022 – £10,617). The amount of £15,492 in creditors (note 5) represents the contribution due to Peter Taylor (2022 - £10,617).

THE INNER TEMPLE SCHOLARSHIP FUND

England & Wales - Charity number 285942

Accounts



THE INNER TEMPLE SCHOLARSHIP FUND

Financial Statements

31 December 2022

Registered Charity No 285942

The Inner Temple Scholarship Fund

Index to the financial statements for the year ended 31 December 2022

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The Inner Temple Scholarship Fund

Report of the Trustees for the year ended 31 December 2022

Objectives and activities

The Inner Temple Scholarship Fund is a registered charity established by gifts or legacies to advance legal education among students and junior barristers of the Honourable Society of the Inner Temple by such means as are charitable and particularly by means of the award of scholarships and grants.

The funds are all invested with Veritas Investment Management. Investment policy is supervised on behalf of the Trustees by the Investment Committee of the Honourable Society of the Inner Temple. Decisions about the award of scholarships are made by the Scholarships Committee of the Honourable Society of the Inner Temple.

The Trustees have given due regard to the Charity Commission guidance on Public Benefit.

Achievements and performance

There were no significant changes to the eligibility criteria or the application process for scholarships, prizes and awards in the year. £59,139 (2021 - £90,412) was contributed by the Fund to The Honourable Society of the Inner Temple towards the cost of scholarships awarded by the Inn during the year, together with £10,617 which was transferred to the Inner Temple Benefactors' Scholarship Fund to meet the balance of the cost of the Peter Taylor Scholarship (2021 - NIL).

The Fund will continue to distribute its surpluses to the Inn. Its investment policy is designed to maximise real returns on a rolling five-year view with emphasis on capital growth with income.

Financial review

All revenues are used for charitable activities. The Fund's investments lost 8.5% (2021 gain: 20.6%) in the year. Investment values decreased during the year with £634,604 of realised and unrealised losses. Investment income of £69,619 was lower when compared to the previous year (2021 - £58,829).

Principal risks and uncertainties

The Trustees have identified the major risks to which the fund is exposed and have satisfied themselves that adequate systems are in place to mitigate those risks.

The major risks are set out as follows:

- Currency risk: this is the risk that the fair value of future cash flows of a financial asset will fluctuate because of changes in foreign exchange rate;
- Interest rate risk: this is the risk that the fair value of future cash flows of a financial asset will fluctuate because of changes in the market interest rate;
- Other price risk: this is the risk that the fair value of future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risks), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Trustees aim to apply income as fully as possible in the year in which it arises. The level of funds at the year-end was £6,665,468 (2021 - £7,357,447) and was fully represented by the permanent endowment fund. There was no balance in restricted income reserves as at 31 December 2022 (2021 – £NIL).

The Inner Temple Scholarship Fund

Report of the Trustees for the year ended 31 December 2022 (continued) Reserves policy

Transfer between funds

Transfer between funds represents the movement between restricted income and endowment funds, relating to the investment income and fees paid to the investment managers.

There are no free unrestricted reserves at the year-end for the charity due to the nature of how the charity operates. All income is generated and recognised within restricted funds from endowed investments during the year and subsequently this is spent on underlying activities of the charity. The Charity's expenditure is adjusted to the income level generated in the year.

Structure governance and management

The Charity's Trustees are the four Governing Benchers elected by the Treasurer and Masters of the Bench of the Honourable Society of the Inner Temple to act as Trustees of the Honourable Society. Legal title to the Charity's investments is vested in the four Trustees. They act in accordance with decisions made by the appropriate committees of the Bench, provided they are satisfied that those decisions have been properly reached and are within the power of the committee. The committees which make decisions affecting the Charity are the Investment Sub-Committee and the Scholarships and Outreach Committee.

New Trustees are advised of their role, duties and responsibilities on appointment, by reference to the Bench Table Orders of the Honourable Society of the Inner Temple.

Day-to-day management of the Charity is undertaken by the staff of the Honourable Society of the Inner Temple, acting in accordance with policies and procedures laid down by the Society.

The Charity's Trustees recognise the legal obligation to oversee and report on the Inner Temple Scholarship Fund's fundraising activities.

The Inner Temple Scholarship Fund does not use Direct Marketing for its fundraising activities and is not therefore registered with the Fundraising Regulator. It does not have any direct contact with vulnerable people hence no Vulnerable People Protection Policy is currently in place.

Any donations or bequests are welcome and given voluntarily, usually by members of the Inner Temple. Any Gift Aid forms are securely stored in order to protect donors' personal data. The personal data is used only for Gift Aid tax claims and is not used for mailing, distribution or other fundraising purposes. No Personal Data is sold to third parties.

Currently no third parties are used for fundraising purposes but if they are used in future the third parties would be expected to maintain a high standard of fundraising practice.

There were no fundraising complaints from donors or the general public in 2022 or any prior years. Any complaint would be taken seriously and investigated thoroughly.

Investment Sub-Committee

This Committee comprises Benchers and other members of the Honourable Society of the Inner Temple. Among the Bencher members are Honorary Benchers chosen for their particular expertise in investment matters. The Sub-Committee meets quarterly to review investment performance and to consider changes to policy. It is advised by an independent investment consultant.

The Inner Temple Scholarship Fund

Report of the Trustees for the year ended 31st December 2022 (continued)

Scholarships Committee

This Committee comprises Benchers and other members of the Honourable Society of the Inner Temple. It meets throughout the year to set policy for the awarding of scholarships and to assess applications.

As a matter of course, the Fund distributes its entire net surplus to the Honourable Society of the Inner Temple as a contribution towards the greater cost of the Inn's scholarship awards.

Investments policy and performance

The Trustees aim to maximise real return on a rolling five-year view with emphasis on capital growth with income. Investment performance during the year equated to -8.5% (2021: 20.6%) net of fees. Investment income on the Charity's funds is paid out by the manager (Veritas) to generate funds for the payment of scholarships.

The Inner Temple Scholarship Fund

Report of the Trustees for the year ended 31 December 2022 (continued)

Reference and administration

Charity Name & No: The Inner Temple Scholarship Fund. Charity number: 285942

Governing Instrument: Declaration of trust dated 3 November 1982

Trustees: The Trustees of the Inner Temple Scholarship Fund, set up by the declaration of trust, are:

The Rt Hon Sir Stephen Tomlinson
The Rt Hon Lord Justice Nugee
David Pittaway KC
Penelope Reed KC

Principal Address: Inner Temple
London EC4Y 7HL

Bankers: Royal Bank of Scotland
9-13 Paternoster Row
London EC4M 7EJ

Solicitors: Forsters LLP
31 Hill Street
London W1J 5LS

Lewis Silkin LLP
5 Chancery Lane
Clifford's Inn
London EC4A 1BL

Auditors: Crowe U.K. LLP
55 Ludgate Hill
London
EC4M 7JW

Investment Managers: Veritas Investment Management LLP
Riverside House
2A Southwark Bridge Road
London SE1 9HA

Investment Powers: The Trustees have wide powers of investment.

The Inner Temple Scholarship Fund

Report of the Trustees for the year ended 31 December 2022 (continued)

Statement of Trustees' responsibilities

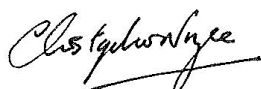
The Trustees are responsible for preparing the Annual Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity 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 in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 adequate accounting records that are sufficient to show and explain the charity's transactions, disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved for the Trustees on 26 October 2023 and signed on their behalf:



The Rt Hon Lord Justice Nugee
Trustee

The Inner Temple Scholarship Fund

Independent Auditor's Report to the Trustees of the Inner Temple Scholarship Fund

Opinion

We have audited the financial statements of the Inner Temple Scholarship Fund ('the charity') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance sheet, the Cash Flow Statement and notes to the financial statements, including 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 charity's affairs as at 31 December 2022 and of 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 Charities Act 2011.

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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 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.

The Inner Temple Scholarship Fund

Independent Auditor's Report to the Trustees of the Inner Temple Scholarship Fund (continued)

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient and proper accounting records have not been kept by the charity; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section of the Charities Act 2011, and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

The Inner Temple Scholarship Fund

Independent Auditor's Report to the Trustees of the Inner Temple Scholarship Fund (continued)

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. We noted no additional laws and regulations in this context for the UK operations.

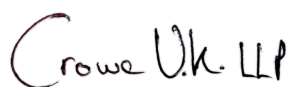
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Board about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Crowe U.K. LLP
Statutory Auditor

Crowe U.K. LLP
55 Ludgate Hill
London EC4M 7JW

Date: 30 October 2023

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

The Inner Temple Scholarship Fund

Statement of Financial Activities for the year ended 31 December 2022

	Notes	Restricted Income £	Permanent Endowment £	Total 2022 £	Restricted Income £	Permanent Endowment £	Total 2021 £
Income and endowments from							
Donations and legacies							
Income from investments	2	69,619	-	69,619	58,829	-	58,829
Donations		-	-	-	29,176	-	29,176
Other Income		257	-	257	10	-	10
Total income and endowments		69,876	-	69,876	88,015	-	88,015
Expenditure on raising funds							
Investment managers' charges		57,494	-	57,494	56,192	-	56,192
Bank charges		1	-	1	1	-	1
		57,495	-	57,495	56,193	-	56,193
Expenditure on charitable activities							
Contribution to Peter Taylor Scholarship		10,617	-	10,617	-	-	-
Contributions towards total scholarships awarded by the Inner Temple		59,139	-	59,139	90,412	-	90,412
		69,756	-	69,756	-	-	90,412
Total expenditure		127,251	-	127,251	146,605	-	146,605
Net (losses) / gains on investments	3d	-	(634,604)	(634,604)	-	1,255,134	1,255,134
Net income / (expenditure)		(57,375)	(634,604)	(691,979)	(58,590)	1,255,134	1,196,544
Transfer between funds		57,375	(57,375)	-	58,590	(58,590)	-
Net movement in funds		-	(691,979)	(691,979)	-	1,196,544	1,196,544
Fund balances brought forward At 1 January 2022		-	7,357,447	7,357,447	-	6,160,903	6,160,903
Fund balances carried forward At 31 December 2022		-	6,665,468	6,665,468	-	7,357,447	7,357,447

All the above amounts relate to continuing activities.
The notes on pages 13 to 18 form part of these financial statements.

The Inner Temple Scholarship Fund

Balance sheet as at 31st December 2022

	Notes	Restricted Income £	Permanent Endowment £	Total 2022 £	Total 2021 £
Fixed assets					
Investments	3	-	<u>6,665,468</u>	<u>6,665,468</u>	<u>7,357,447</u>
Current assets					
Debtors	4	9,179	-	9,179	8,713
Bank		<u>76,852</u>	-	<u>76,852</u>	<u>98,847</u>
		<u>86,031</u>	-	<u>86,031</u>	<u>107,560</u>
Creditors: amounts falling due within one year	5	<u>(86,031)</u>	-	<u>(86,031)</u>	<u>(107,560)</u>
Net current assets		-	-	-	-
Total assets less current liabilities		-	<u>6,665,468</u>	<u>6,665,468</u>	<u>7,357,447</u>
Represented by: The Inner Temple Scholarship Fund	1h, 8	-	<u>6,665,468</u>	<u>6,665,468</u>	<u>7,357,447</u>

The financial statements on pages 10 to 18 were approved and authorised for issue by the Trustees on 26 October 2023 and signed on their behalf:



The Rt Hon Lord Justice Nugee
Trustee

The notes on pages 13 to 18 form part of these financial statements.

The Inner Temple Scholarship Fund

Cash flow statement

For the year ended 31 December 2022

	<u>Note</u>	<u>2022</u>	<u>2021</u>
<u>Net cash underprovided by operating activities</u>	11	<u>(148,780)</u>	<u>(225,443)</u>
<u>Cash flow from investment activities</u>			
Dividends and interest from investments		69,410	57,921
Proceeds of sale of investments		1,439,598	1,497,430
Purchase of investment		<u>(1,382,223)</u>	<u>(1,438,840)</u>
<u>Net cash provided by investing activities</u>		<u>126,785</u>	<u>116,511</u>
		<hr/>	<hr/>
Cash and cash equivalents in the reporting period		<u>(21,995)</u>	<u>(108,932)</u>
Cash and cash equivalents at the beginning of the reporting period	12	<u>98,847</u>	<u>207,779</u>
<u>Cash and cash equivalents at the end of the reporting period</u>	12	<u>76,852</u>	<u>98,847</u>

The notes on pages 13 to 18 form part of these financial statements.

The Inner Temple Scholarship Fund

Notes to the financial statements for the year ended 31 December 2022

1. Accounting policies

a) Basis of accounting

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2019.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Inner Temple Scholarship Fund constitutes a public benefit entity as defined by FRS 102.

After making enquires, the Trustees have a reasonable expectation that the charity has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Trustees Responsibilities on page 6.

Having regard to the above, the current cash position, and expected cashflow over the following twelve months the Trustees believe it is appropriate to adopt the going concern basis of accounting in preparing the financial statements.

b) Critical accounting judgements and key sources of estimation uncertainty

Sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described in the accounting policies. No specific accounting judgements and uncertainties have been identified for the current year.

c) Investments

Investments are included in the accounts at fair value. Net realised and unrealised gains and losses are reflected in the Statement of Financial Activities as net gains/losses on investments.

d) Income

Donations, interest and investment income are accounted for when receivable. Legacies are accounted for when entitlement has been granted and the income is probable and measurable.

e) Expenditure

Direct charitable expenditure comprises services supplied and activities undertaken, which are identifiable as wholly or mainly in support of the charity's objectives. The costs of generating funds relate to the management of the charity's assets. The Charity has no direct employees or support costs in running the organisation.

The Inner Temple Scholarship Fund

Notes to the financial statements for the year ended 31st December 2022 (continued)

f) **The Inner Temple Scholarship Fund**

The Inner Temple Scholarship Fund is an approved charity registered with The Charity Commissioners in 1982.

g) **Taxation**

The Inner Temple Scholarship Fund is a registered charity and taxation is not applicable.

h) **Permanent endowments**

These comprise funds donated by the Honourable Society of the Inner Temple for the purposes of generating income to support students wishing to train as barristers.

i) **Financial instruments**

The Inner Temple Scholarship Fund has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise bank loans and overdrafts, trade and other creditors.

Investments, including bonds held as part of an investment portfolio are held at market value at the Balance Sheet date, with gains and losses being recognised within income and expenditure.

2. **Investment income**

	2022	2021
	£	£
UK equities	10,964	6,067
Foreign equities	35,814	37,669
Fixed income	22,841	15,093
	<u>69,619</u>	<u>58,829</u>

3. **Investments**

(a) **Reconciliation of movement in investment assets**

	2022	2021
	£	£
Market value at 1 January 2022	7,357,447	6,160,903
Additions to investments at cost	983,757	866,168
Disposals at carrying value	(1,087,828)	(708,646)
Unrealised (loss)/ gains for the year	(587,908)	1,039,022
Market value at 31 December 2022	<u>6,665,468</u>	<u>7,357,447</u>

The Inner Temple Scholarship Fund

Notes to the financial statements for the year ended 31st December 2022 (continued)

(b) **Analysis of investments:**

	2022	2021
	£	£
UK equities	427,039	343,040
Foreign equities	3,989,355	4,419,496
Fixed income	1,763,319	1,855,464
Cash	485,755	739,447
	<u>6,665,468</u>	<u>7,357,447</u>
Historical cost at 31 December	<u>5,158,749</u>	<u>4,927,843</u>

(c) **Reconciliation of movements in unrealised gains on**

Investment assets	2022	2021
	£	£
Unrealised gain at 1 January 2022	2,429,604	1,963,254
Gain written back on disposal	(334,977)	(572,672)
Net (loss)/ gain on revaluation	<u>(587,908)</u>	<u>1,039,022</u>
Unrealised gain at 31 December 2022	<u>1,506,719</u>	<u>2,429,604</u>

(d) **Net (loss) / gain on investment**

	2022	2021
	£	£
Unrealised (loss) / gain	(587,908)	1,039,022
Realised (loss) / gain	<u>(46,696)</u>	<u>216,112</u>
Net (loss)/ gain at 31 December 2022	<u>(634,604)</u>	<u>1,255,134</u>

4. **Debtors**

	2022	2021
	£	£
Dividend income	9,179	8,713
	<u>9,179</u>	<u>8,713</u>

5. **Creditors:** Amounts falling due within one year

	2022	2021
	£	£
Amount due to The Honourable Society of the Inner Temple	59,139	90,412
Amount due to The Peter Taylor Scholarship Fund	10,617	-
Accrued expenditure	16,275	17,148
	<u>86,031</u>	<u>107,560</u>

The Inner Temple Scholarship Fund

Notes to the financial statements for the year ended 31 December 2022 (continued)

6. Financial instruments

	2022	2021
	£	£
Financial assets measured at amortised cost	9,179	8,713
Financial assets measured at fair value	6,665,468	7,357,447
Financial liabilities measured at amortised cost	86,031	107,560

The Trust's income, expense, gains and losses in respect of these financial instruments are summarised below:

	2022	2021
	£	£
Total income for financial assets held at fair value	9,179	8,713
Total gains for financial assets held at fair value	1,260,800	2,445,619
Total losses for financial assets held at fair value	245,919	16,015

7. Funds

(a) Permanent Endowment Funds

	Balance at 1Jan 2022	Capital Additions	Losses	Transfers	Balance at 31 Dec 2022
	£	£	£		£
The Inner Temple Scholarship Fund	<u>7,357,447</u>	-	(634,604)	(57,375)	<u>6,665,468</u>

	Balance at 1Jan 2021	Capital Additions	Gains	Transfers	Balance at 31 Dec 2021
	£	£	£		£
The Inner Temple Scholarship Fund	6,160,903	-	1,255,134	(58,590)	<u>7,357,447</u>

(b) Restricted Income Funds

	Balance at 1Jan 2022	Income	Expenditure	Transfers	Balance at 31 Dec 2022
	£	£	£	£	£
The Inner Temple Scholarship Fund	-	<u>69,876</u>	(127,251)	57,375	-

	Balance at 1Jan 2021	Income	Expenditure	Transfers	Balance at 31 Dec 2021
	£	£	£	£	£
The Inner Temple Scholarship Fund	-	88,015	(146,605)	58,590	-

The Inner Temple Scholarship Fund

Notes to the financial statements for the year ended 31 December 2022 (continued)

8. Analysis of net assets

	2022	2021
	£	£
Fixed assets:		
Investments	6,665,468	7,357,447
Current assets:		
Debtors	9,179	8,713
Cash at bank and in hand	76,852	98,847
Creditors: amounts falling due within one year	(86,031)	(107,560)
Inter-fund transfer		
	<u>6,665,468</u>	<u>7,357,447</u>

9. Audit fees

The Charity's audit fees are paid by the Honourable Society of the Inner Temple. The Society paid £4,890 on account of the audit fees in 2022 (2021 - £4,290).

10. Trustees

None of the Trustees received any reimbursement of expenses or remuneration for their services during the year.

11. Reconciliation of cash inflow from operating activities

	2022	2021
	£	£
Net (expenditure) / income for the reporting period	(691,979)	1,196,544
(Losses) / gains on investments	634,604	(1,255,134)
Dividends	(69,619)	(58,829)
Other income	(257)	(10)
	<u>(127,251)</u>	<u>(117,429)</u>
Operating deficit	(127,251)	(117,429)
Decrease in creditors	(21,529)	(108,014)
Net cash underprovided by operating activities	<u>(148,780)</u>	<u>(225,443)</u>

12. Cashflow

(a) Analysis of short-term deposits and cash at bank as shown in the balance sheet

	<u>At 1 Jan</u> <u>2022</u>	<u>Cashflow</u>	<u>At 31 Dec</u> <u>2022</u>
Short-term deposits	73,847	(21,995)	51,852
Cash at bank	25,000	-	25,000
Cash and bank balances	<u>98,847</u>	<u>(21,995)</u>	<u>76,852</u>

The Inner Temple Scholarship Fund

Notes to the financial statements for the year ended 31 December 2022 (continued)

(b) Reconciliation of net cash flow to movement in net cash

Decrease in cash and short-term deposits	21,995
Movement in net debt	<u> </u>
Net cash at 1 January 2022	98,847
Net cash at 31 December 2022	<u><u>76,852</u></u>

13. Related party transactions

The Inner Temple Scholarship Fund distributes the residual surplus of the restricted income fund to the Honourable Society of the Inner Temple. The fund accounted for a contribution of £59,139 towards the cost of the Inn's scholarship awards in 2022 (2021 - £90,412). The amount of £59,139 in creditors (Note 5) represents the contribution due to the Inner Temple as at 31 December 2022 (2021 - £90,412). This balance is unsecured, interest -free and payable on demand.

The Inner Temple paid the Inner Temple Scholarship Fund's audit fees of £4,890 in 2022 (2021 - £4,290).

In the reporting period the Inner Temple Scholarship Fund transferred £90,412 (2021 – £199,384) to the Honourable Society of the Inner Temple.

The Inner Temple Scholarship Fund also transferred £10,617 to the Inner Temple Benefactors' Scholarship Fund to meet the balance of the cost of the Peter Taylor Scholarship in 2022 (2021 – £NIL). The amount of £10,617 in creditors (note 5) represents the contribution due to the Peter Taylor Scholarship Fund (2021 - £NIL).

THE INNER TEMPLE SCHOLARSHIP FUND

England & Wales - Charity number 285942

Accounts



THE INNER TEMPLE SCHOLARSHIP FUND

Financial Statements

31st December 2021

Registered Charity No 285942

The Inner Temple Scholarship Fund

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The Inner Temple Scholarship Fund

Report of the Trustees for the year ended 31st December 2021

Objectives and activities

The Inner Temple Scholarship Fund is a registered charity established by gifts or legacies to advance legal education among students and junior barristers of the Honourable Society of the Inner Temple by such means as are charitable and particularly by means of the award of scholarships and grants.

The funds are all invested with Veritas Investment Management. Investment policy is supervised on behalf of the Trustees by the Investment Committee of the Honourable Society of the Inner Temple. Decisions about the award of scholarships are made by the Scholarships Committee of the Honourable Society of the Inner Temple.

The Trustees have given due regard to the Charity Commission guidance on Public Benefit.

Achievements and performance

There were no significant changes to the eligibility criteria or the application process for scholarships, prizes and awards in the year. £90,412 (2020 - £59,839) was contributed by the Fund to The Honourable Society of the Inner Temple towards the cost of scholarships awarded by the Inn during the year. There was no requirement to transfer any funds to the Inner Temple Benefactors' Scholarship Fund to meet the balance of the cost of the Peter Taylor Scholarship. (2020 - NIL).

The Fund will continue to distribute its surpluses to the Inn. Its investment policy is designed to maximise real returns on a rolling five-year view with emphasis on capital growth with income.

Financial review

All revenues are used for charitable activities. The Fund's investments achieved an overall return of 20.6% (2020: 13.9%) in the year. Investment values increased during the year with £1,255,134 of realised and unrealised gains. Investment income of £58,829 was lower when compared to the previous year (2020 - £63,892).

Principal risks and uncertainties

The Trustees have identified the major risks to which the fund is exposed and have satisfied themselves that adequate systems are in place to mitigate those risks.

The major risks are set out as follows:

- Currency risk: this is the risk that the fair value of future cash flows of a financial asset will fluctuate because of changes in foreign exchange rate;
- Interest rate risk: this is the risk that the fair value of future cash flows of a financial asset will fluctuate because of changes in the market interest rate;
- Other price risk: this is the risk that the fair value of future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risks), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Trustees aim to apply income as fully as possible in the year in which it arises. The level of funds at the year-end was £7,357,447 (2020 - £6,160,903) and was fully represented by the permanent endowment fund. There was no balance in restricted income reserves as at 31st December 2021 (2020 – £NIL).

The Inner Temple Scholarship Fund

Report of the Trustees for the year ended 31st December 2021 (continued) Reserves policy

Transfer between funds

Transfer between funds represents the movement between restricted income and endowment funds, relating to the investment income and fees paid to the investment managers.

There are no free unrestricted reserves at the year-end for the charity due to the nature of how the charity operates. All income is generated and recognised within restricted funds from endowed investments during the year and subsequently this is spent on underlying activities of the charity. The Charity's spend is adjusted to the income level generated in the year.

Structure governance and management

The Charity's Trustees are the four Governing Benchers elected by the Treasurer and Masters of the Bench of the Honourable Society of the Inner Temple to act as Trustees of the Honourable Society. Legal title to the Charity's investments is vested in the four Trustees. They act in accordance with decisions made by the appropriate committees of the Bench, provided they are satisfied that those decisions have been properly reached and are within the power of the committee. The committees which make decisions affecting the Charity are the Investment Committee and the Scholarships Committee.

New Trustees are advised of their role, duties and responsibilities on appointment, by reference to the Bench Table Orders of the Honourable Society of the Inner Temple.

Day-to-day management of the Charity is undertaken by the staff of the Honourable Society of the Inner Temple, acting in accordance with policies and procedures laid down by the Society.

The Charity's Trustees recognise the legal obligation to oversee and report on the Inner Temple Scholarship Fund's fundraising activities.

The Inner Temple Scholarship Fund does not use Direct Marketing for its fundraising activities and is not therefore registered with the Fundraising Regulator. It does not have any direct contact with vulnerable people hence no Vulnerable People Protection Policy is currently in place.

Any donations or bequests are welcome and given voluntarily, usually by members of the Inner Temple. Any Gift Aid forms are securely stored in order to protect donors' personal data. The personal data is used only for Gift Aid tax claims and is not used for mailing, distribution or other fundraising purposes. No Personal Data is sold to third parties.

Currently no third parties are used for fundraising purposes but if they are used in future the third parties would be expected to maintain a high standard of fundraising practice.

There were no fundraising complaints from donors or the general public in 2020 or any prior years. Any complaint would be taken seriously and investigated thoroughly.

Investment Committee

This Committee comprises Benchers and other members of the Honourable Society of the Inner Temple. Among the Bencher members are Honorary Benchers chosen for their particular expertise in investment matters. The Committee meets quarterly to review investment performance and to consider changes to policy. It is advised by an independent investment manager.

The Inner Temple Scholarship Fund

Report of the Trustees for the year ended 31st December 2021 (continued)

Scholarships Committee

This Committee comprises Benchers and other members of the Honourable Society of the Inner Temple. It meets throughout the year to set policy for the awarding of scholarships and to assess applications.

As a matter of course, the Fund distributes its entire net surplus to the Honourable Society of the Inner Temple as a contribution towards the greater cost of the Inn's scholarship awards.

Investments policy and performance

The Trustees aim to maximise real return on a rolling five-year view with emphasis on capital growth with income. Investment performance during the year equated to 20.6% (2020: 13.9%) net of fees. Investment income on the Charity's funds is paid out by the manager (Veritas) to generate funds for the payment of scholarships.

Coronavirus

The global pandemic has not led to any significant changes in the Charity's income or expenditure in the post balance sheet period.

Taking into account the balance sheet position and the impact of Covid-19 on the Charity's income streams and expenditure plans, the Trustees consider that the going concern assumption remains appropriate and the financial statements continue to be prepared on this basis.

The Trustees do not consider it necessary to make a reduction to the levels of funding budgeted for 2022.

The Inner Temple Scholarship Fund

Report of the Trustees for the year ended 31st December 2021 (continued)

Reference and administration

Charity Name & No: The Inner Temple Scholarship Fund. Charity number: 285942

Governing Instrument: Declaration of trust dated 3rd November 1982

Trustees: The Trustees of the Inner Temple Scholarship Fund, set up by the declaration of trust, are:

The Rt Hon Sir Stephen Tomlinson
The Rt Hon Lord Justice Nugee
David Pittaway KC
Penelope Reed KC

Principal Address: Inner Temple
London EC4Y 7HL

Bankers: Royal Bank of Scotland
9-13 Paternoster Row
London EC4M 7EJ

Solicitors: Forsters LLP
31 Hill Street
London W1J 5LS

Lewis Silkin LLP
5 Chancery Lane
Clifford's Inn
London EC4A 1BL

Auditors: Crowe U.K. LLP
55 Ludgate Hill
London
EC4M 7JW

Investment Managers: Veritas Investment Management LLP
Riverside House
2A Southwark Bridge Road
London SE1 9HA

Investment Powers: The Trustees have wide powers of investment.

The Inner Temple Scholarship Fund

Report of the Trustees for the year ended 31st December 2021 (continued)

Statement of Trustees' responsibilities


The Trustees are responsible for preparing the Annual Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity 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 in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 adequate accounting records that are sufficient to show and explain the charity's transactions, disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved for the Trustees on 26 October 2022 and signed on their behalf:

A handwritten signature in black ink, appearing to read 'Christopher Nugee', with a horizontal line underneath.

The Rt Hon Lord Justice Nugee
Trustee

The Inner Temple Scholarship Fund

Independent Auditor's Report to the Trustees of the Inner Temple Scholarship Fund

Opinion

We have audited the financial statements of the Inner Temple Scholarship Fund ('the charity') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance sheet, the Cash Flow Statement and notes to the financial statements, including 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 charity's affairs as at 31 December 2021 and of 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 Charities Act 2011.

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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 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.

The Inner Temple Scholarship Fund

Independent Auditor's Report to the Trustees of the Inner Temple Scholarship Fund (continued)

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient and proper accounting records have not been kept by the charity; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section of the Charities Act 2011, and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

The Inner Temple Scholarship Fund

Independent Auditor's Report to the Trustees of the Inner Temple Scholarship Fund (continued)

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. We noted no additional laws and regulations in this context for the UK operations.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Board about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

Crowe U.K. LLP
Statutory Auditor

Crowe U.K. LLP
55 Ludgate Hill
London EC4M 7JW

Date: 28 October 2022

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

The Inner Temple Scholarship Fund

Statement of Financial Activities for the year ended 31st December 2021

	Notes	Restricted Income £	Permanent Endowment £	Total 2021 £	Restricted Income £	Permanent Endowment £	Total 2020 £
Incoming resources							
Donations and legacies		-	-	-	-	-	-
Income from investments	2	58,829	-	58,829	63,892	-	63,892
Donations		29,176	-	29,176	-	-	-
Other Income		10	-	10	128	-	128
Total income and endowments		88,015	-	88,015	64,020	-	64,020
Expenditure on raising funds							
Investment managers' charges		56,192	-	56,192	48,158	-	48,158
Bank charges		1	-	1	5	-	5
		56,193	-	56,193	48,163	-	48,163
Expenditure on charitable activities							
Contributions towards total scholarships awarded by the Inner Temple		90,412	-	90,412	59,839	-	59,839
Total expenditure		146,605	-	146,605	(108,002)	-	(108,002)
Net gains on investments	3d	-	1,255,134	1,255,134	-	736,268	736,268
Net income/ (expenditure)		(58,590)	1,255,134	1,196,544	(43,982)	736,268	692,286
Transfer between funds		58,590	(58,590)	-	43,982	(43,982)	-
Net movement in funds		-	1,196,544	1,196,544	-	692,286	692,286
Fund balances brought forward							
At 1 st January 2021		-	6,160,903	6,160,903	-	5,468,617	5,468,617
Fund balances carried forward							
At 31st December 2021		-	7,357,447	7,357,447	-	6,160,903	6,160,903

All the above amounts relate to continuing activities.
The notes on pages 13 to 18 form part of these financial statements.

The Inner Temple Scholarship Fund

Balance sheet as at 31st December 2021

	Notes	Restricted Income £	Permanent Endowment £	Total 2021 £	Total 2020 £
Fixed assets					
Investments	3	-	<u>7,357,447</u>	<u>7,357,447</u>	<u>6,160,903</u>
Current assets					
Debtors	4	8,713	-	8,713	7,795
Bank		<u>98,847</u>	-	<u>98,847</u>	<u>207,779</u>
		<u>107,560</u>	-	<u>107,560</u>	<u>215,574</u>
Creditors: amounts falling due within one year	5	(107,560)	-	(107,560)	(215,574)
Net current assets		-	-	-	-
Total assets less current liabilities		-	<u>7,357,447</u>	<u>7,357,447</u>	<u>6,160,903</u>
Represented by: The Inner Temple Scholarship Fund	1h, 8	-	<u>7,357,447</u>	<u>7,357,447</u>	<u>6,160,903</u>

The financial statements on pages 10 to 18 were approved and authorised for issue by the Trustees on 26 October 2022 and signed on their behalf:



The Rt Hon Lord Justice Nugee
Trustee

The notes on pages 13 to 18 form part of these financial statements.

The Inner Temple Scholarship Fund

Cash flow statement For the year ended 31st December 2021

	<u>Note</u>	<u>2021</u>	<u>2020</u>
<u>Net cash underprovided by operating activities</u>	11	<u>(225,443)</u>	<u>(46,500)</u>
<u>Cash flow from investment activities</u>			
Dividends and interest from investments		57,921	62,132
Proceeds of sale of investments		1,497,430	1,191,818
Purchase of investment		<u>(1,438,840)</u>	<u>(1,147,836)</u>
<u>Net cash provided by investing activities</u>		<u>116,511</u>	<u>106,114</u>
<hr/>			
Cash and cash equivalents in the reporting period		<u>(108,932)</u>	<u>59,614</u>
Cash and cash equivalents at the beginning of the reporting period	12	<u>207,779</u>	<u>148,165</u>
<u>Cash and cash equivalents at the end of the reporting period</u>	12	<u>98,847</u>	<u>207,779</u>

The notes on pages 13 to 18 form part of these financial statements.

The Inner Temple Scholarship Fund

Notes to the financial statements for the year ended 31st December 2021

1. Accounting policies

a) Basis of accounting

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2019.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Inner Temple Scholarship Fund constitutes a public benefit entity as defined by FRS 102.

After making enquires, the Trustees have a reasonable expectation that the charity has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Trustees Responsibilities on page 6.

The Covid-19 pandemic has had no material impact on the Charity's operations. The Trustees, the relevant committees, professional advisers and staff continue to monitor the situation carefully.

Having regard to the above, the current cash position, and expected cashflow over the following twelve months the Trustees believe it is appropriate to adopt the going concern basis of accounting in preparing the financial statements.

b) Critical accounting judgements and key sources of estimation uncertainty

Sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described in the accounting policies. No specific accounting judgements and uncertainties have been identified for the current year.

c) Investments

Investments are included in the accounts at fair value. Net realised and unrealised gains and losses are reflected in the Statement of Financial Activities as net gains/losses on investments.

d) Incoming resources

Donations, interest and investment income are accounted for when receivable. Legacies are accounted for when entitlement has been granted and the income is probable and measurable.

e) Resources expended

Direct charitable expenditure comprises services supplied and activities undertaken, which are identifiable as wholly or mainly in support of the charity's objectives. The costs of generating funds relate to the management of the charity's assets. The Charity has no direct employees or support costs in running the organisation.

The Inner Temple Scholarship Fund

Notes to the financial statements for the year ended 31st December 2021 (continued)

f) **The Inner Temple Scholarship Fund**

The Inner Temple Scholarship Fund is an approved charity registered with The Charity Commissioners in 1982.

g) **Taxation**

The Inner Temple Scholarship Fund is a registered charity and taxation is not applicable.

h) **Permanent endowments**

These comprise funds donated by the Honourable Society of the Inner Temple for the purposes of generating income to support students wishing to train as barristers.

i) **Financial instruments**

The Inner Temple Scholarship Fund has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise bank loans and overdrafts, trade and other creditors.

Investments, including bonds held as part of an investment portfolio are held at market value at the Balance Sheet date, with gains and losses being recognised within income and expenditure.

2. **Investment income**

	2021	2020
	£	£
UK equities	6,067	9,555
Foreign equities	37,669	33,830
Fixed income	15,093	20,507
	<u>58,829</u>	<u>63,892</u>

3. **Investments**

(a) **Reconciliation of movement in investment assets**

	2021	2020
	£	£
Market value at 1 st January 2021	6,160,903	5,468,617
Additions to investments at cost	866,168	910,869
Disposals at carrying value	(708,646)	(1,027,370)
Unrealised gains for the year	1,039,022	808,787
Market value at 31 st December 2021	<u>7,357,447</u>	<u>6,160,903</u>

The Inner Temple Scholarship Fund

Notes to the financial statements for the year ended 31st December 2021 (continued)

(b) **Analysis of investments:**

	2021	2020
	£	£
UK equities	343,040	387,787
Foreign equities	4,419,496	3,843,477
Fixed income	1,855,464	1,463,499
Cash	739,447	466,140
	<u>7,357,447</u>	<u>6,160,903</u>
Historical cost at 31 st December	<u>4,927,843</u>	<u>4,197,648</u>

(c) **Reconciliation of movements in unrealised gains on**

Investment assets	2021	2020
	£	£
Unrealised gains at 1 st January 2021	1,963,254	1,391,434
Gains written back on disposal	(572,672)	(236,967)
Net gains on revaluation	1,039,022	808,787
Unrealised gain at 31 st December 2021	<u>2,429,604</u>	<u>1,963,254</u>

(d) **Net gain on investment**

	2021	2020
	£	£
Unrealised gains	1,039,022	808,787
Realised gains/ (losses)	216,112	(72,519)
Net gain at 31 st December 2021	<u>1,255,134</u>	<u>736,268</u>

4. **Debtors**

	2021	2020
	£	£
Dividend income	8,713	7,795
	<u>8,713</u>	<u>7,795</u>

5. **Creditors:** Amounts falling due within one year

	2021	2020
	£	£
Amount due to The Honourable Society of The Inner Temple	90,412	199,384
Amount due to The Peter Taylor Scholarship Fund	-	-
Amount due to The Benefactors' Fund	-	1,500
Accrued expenditure	17,148	14,690
	<u>107,560</u>	<u>215,574</u>

The Inner Temple Scholarship Fund

Notes to the financial statements for the year ended 31st December 2021 (continued)

6. Financial instruments

	2021	2020
	£	£
Financial assets measured at amortised cost	8,713	7,795
Financial assets measured at fair value	7,357,447	6,160,903
Financial liabilities measured at amortised cost	107,560	215,574

The Trust's income, expense, gains and losses in respect of these financial instruments are summarised below:

	2021	2020
	£	£
Total income for financial assets held at fair value	8,713	7,795
Total gains for financial assets held at fair value	2,445,619	1,980,677
Total losses for financial assets held at fair value	16,015	17,423

7. Funds

(a) Permanent Endowment Funds

	Balance at 1 st Jan 2021	Capital Additions	Gains	Transfers	Balance at 31 st Dec 2021
	£	£	£		£
The Inner Temple Scholarship Fund	6,160,903	-	1,255,134	(58,590)	7,357,447

	Balance at 1 st Jan 2020	Capital Additions	Losses	Transfers	Balance at 31 Dec 2020
	£	£	£		£
The Inner Temple Scholarship Fund	5,468,617	-	736,268	(43,982)	6,160,903

(b) Restricted Income Funds

	Balance at 1 st Jan 2021	Income	Expenditure	Transfers	Balance at 31 st Dec 2021
	£	£	£	£	£
The Inner Temple Scholarship Fund	-	88,015	(146,605)	58,590	-

	Balance at 1 st Jan 2020	Income	Expenditure	Transfers	Balance at 31 st Dec 2020
	£	£	£	£	£
The Inner Temple Scholarship Fund	-	64,020	(108,002)	43,982	-

The Inner Temple Scholarship Fund

Notes to the financial statements for the year ended 31st December 2021 (continued)

8. Analysis of net assets

	2021	2020
	£	£
Fixed assets:		
Investments	7,357,447	6,160,903
Current assets:		
Debtors	8,713	7,795
Cash at bank and in hand	98,847	207,779
Creditors: amounts falling due within one year	(107,560)	(215,574)
Inter-fund transfer		
	<u>7,357,447</u>	<u>6,160,903</u>

9. Audit fees

The Charity's audit fees are paid by the Honourable Society of the Inner Temple. Inner Temple paid £4,290 on account of the audit fees in 2021 (2020 - £4,080).

10. Trustees

None of the Trustees received any reimbursement of expenses or remuneration for their services during the year.

11. Reconciliation of cash inflow from operating activities

	2021	2020
	£	£
Net income for the reporting period	1,196,544	692,286
Gains on investments	(1,255,134)	(736,268)
Dividends	(58,829)	(63,892)
Other income	(10)	(128)
	<u>(117,429)</u>	<u>(108,002)</u>
Operating deficit	(117,429)	(108,002)
(Decrease)/ increase in creditors	(108,014)	61,502
Net cash underprovided by operating activities	<u>(225,443)</u>	<u>(46,500)</u>

12. Cashflow

(a) Analysis of short-term deposits and cash at bank as shown in the balance sheet

	<u>At 1st Jan</u> <u>2021</u>	<u>Cash flow</u>	<u>At 31st Dec</u> <u>2021</u>
Short-term deposits	182,779	(108,932)	73,847
Cash at bank	25,000	-	25,000
Cash and bank balances	<u>207,779</u>	<u>(108,932)</u>	<u>98,847</u>

The Inner Temple Scholarship Fund

Notes to the financial statements for the year ended 31st December 2021 (continued)

(b) Reconciliation of net cash flow to movement in net cash

(Decrease)/ increase in cash and short-term deposits	<u>108,932</u>
Movement in net debt	
Net cash at 1 st January 2021	<u>207,779</u>
Net cash at 31 st December 2021	<u><u>98,847</u></u>

13. Related party transactions

The Inner Temple Scholarship Fund distributes the residual surplus of the restricted income fund to the Honourable Society of the Inner Temple. The fund accounted for a contribution of £90,412 towards the cost of the Inn's scholarship awards in 2021 (2020 - £59,839). The amount of £90,412 in creditors (Note 5) represents the contribution due to the Inner Temple as at 31st December 2021 (2020 - £199,384). This balance is unsecured, interest free and payable on demand.

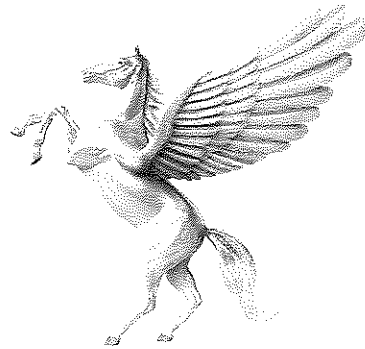
The Inner Temple paid the Inner Temple Scholarship Fund's audit fees of £4,290 in 2021 (2020 - £4,080).

In the reporting period the Inner Temple Scholarship Fund transferred £1,500 (2020 – zero) to the Inner Temple Benefactors' Scholarship Fund and £199,384 (2020 – zero) to the Honourable Society of the Inner Temple.

THE INNER TEMPLE SCHOLARSHIP FUND

England & Wales - Charity number 285942

Accounts



THE INNER TEMPLE SCHOLARSHIP FUND

Financial Statements

31st December 2020

Registered Charity No 285942

The Inner Temple Scholarship Fund

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The Inner Temple Scholarship Fund

Report of the Trustees for the year ended 31st December 2020

Objectives and activities

The Inner Temple Scholarship Fund is a registered charity established by gifts or legacies to advance legal education among students and junior barristers of the Honourable Society of the Inner Temple by such means as are charitable and particularly by means of the award of scholarships and grants.

The funds are all invested with Veritas Investment Management. Investment policy is supervised on behalf of the Trustees by the Investment Committee of the Honourable Society of the Inner Temple. Decisions about the award of scholarships are made by the Scholarships Committee of the Honourable Society of the Inner Temple.

The Trustees have given due regard to the Charity Commission guidance on Public Benefit.

Achievements and performance

There were no significant changes to the eligibility criteria or the application process for scholarships, prizes and awards in the year. £59,839 (2019 - £113,168) was contributed by the Fund to The Honourable Society of the Inner Temple towards the cost of scholarships awarded by the Inn during the year. There was no requirement to transfer any funds to the Inner Temple Benefactors' Scholarship Fund to meet the balance of the cost of the Peter Taylor Scholarship. (2019 - NIL).

The Fund will continue to distribute its surpluses to the Inn. Its investment policy is designed to maximise real returns on a rolling five-year view with emphasis on capital growth with income.

Financial review

All revenues are used for charitable activities. The Fund's investments achieved an overall return of 13.9% (2019: 14.4) in the year. Investment values increased during the year with £736,268 of realised and unrealised gains. Investment income of £63,892 was at a similar level to the previous year (2019 - £68,970).

Principal risks and uncertainties

The Trustees have identified the major risks to which the fund is exposed and have satisfied themselves that adequate systems are in place to mitigate those risks.

The major risks are set out as follows:

- Currency risk: this is the risk that the fair value of future cash flows of a financial asset will fluctuate because of changes in foreign exchange rate;
- Interest rate risk: this is the risk that the fair value of future cash flows of a financial asset will fluctuate because of changes in the market interest rate;
- Other price risk: this is the risk that the fair value of future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risks), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Trustees aim to apply income as fully as possible in the year in which it arises. The level of funds at the year-end was £6,160,903 (2019 - £5,468,617) and was fully represented by the permanent endowment fund. There was no balance in restricted income reserves as at 31st December 2020 (2019 – £NIL).

The Inner Temple Scholarship Fund

Report of the Trustees for the year ended 31st December 2020 (continued) Reserves policy

Transfer between funds

Transfer between funds represents the movement between restricted income and endowment funds, relating to the investment income and fees paid to the investment managers.

There are no free unrestricted reserves at the year-end for the charity due to the nature of how the charity operates. All income is generated and recognised within restricted funds from endowed investments during the year and subsequently this is spent on underlying activities of the charity. The Charity's spend is adjusted to the income level generated in the year.

Structure governance and management

The Charity's Trustees are the four Governing Benchers elected by the Treasurer and Masters of the Bench of the Honourable Society of the Inner Temple to act as Trustees of the Honourable Society. Legal title to the Charity's investments is vested in the four Trustees. They act in accordance with decisions made by the appropriate committees of the Bench, provided they are satisfied that those decisions have been properly reached and are within the power of the committee. The committees which make decisions affecting the Charity are the Investment Committee and the Scholarships Committee.

New Trustees are advised of their role, duties and responsibilities on appointment, by reference to the Bench Table Orders of the Honourable Society of the Inner Temple.

Day-to-day management of the Charity is undertaken by the staff of the Honourable Society of the Inner Temple, acting in accordance with policies and procedures laid down by the Society.

The Charity's Trustees recognise the legal obligation to oversee and report on the Inner Temple Scholarship Fund's fundraising activities.

The Inner Temple Scholarship Fund does not use Direct Marketing for its fundraising activities and is not therefore registered with the Fundraising Regulator. It does not have any direct contact with vulnerable people hence no Vulnerable People Protection Policy is currently in place.

Any donations or bequests are welcome and given voluntarily, usually by members of the Inner Temple. Any Gift Aid forms are securely stored in order to protect donors' personal data. The personal data is used only for Gift Aid tax claims and is not used for mailing, distribution or other fundraising purposes. No Personal Data is sold to third parties.

Currently no third parties are used for fundraising purposes but if they are used in future the third parties would be expected to maintain a high standard of fundraising practice.

There were no fundraising complaints from donors or the general public in 2020 or any prior years. Any complaint would be taken seriously and investigated thoroughly.

Investment Committee

This Committee comprises Benchers and other members of the Honourable Society of the Inner Temple. Among the Bencher members are Honorary Benchers chosen for their particular expertise in investment matters. The Committee meets quarterly to review investment performance and to consider changes to policy. It is advised by an independent investment manager.

The Inner Temple Scholarship Fund

Report of the Trustees for the year ended 31st December 2020 (continued)

Scholarships Committee

This Committee comprises Benchers and other members of the Honourable Society of the Inner Temple. It meets throughout the year to set policy for the awarding of scholarships and to assess applications.

As a matter of course, the Fund distributes its entire net surplus to the Honourable Society of the Inner Temple as a contribution towards the greater cost of the Inn's scholarship awards.

Investments policy and performance

The Trustees aim to maximise real return on a rolling five-year view with emphasis on capital growth with income. Investment performance during the year equated to 13.9% (2019: 14.4%) net of fees. Investment income on the Charity's funds is paid out by the manager (Veritas) to generate funds for the payment of scholarships.

Coronavirus

The global pandemic has not led to any significant changes in the Charity's income or expenditure in the post balance sheet period.

Taking into account the balance sheet position and the impact of Covid-19 on the Charity's income streams and expenditure plans, the Trustees consider that the going concern assumption remains appropriate and the financial statements continue to be prepared on this basis.

The Trustees do not consider it necessary to make a reduction to the levels of funding budgeted for 2021.

The Inner Temple Scholarship Fund

Report of the Trustees for the year ended 31st December 2020 (continued)

Reference and administration

Charity Name & No: The Inner Temple Scholarship Fund. Charity number: 285942

Governing Instrument: Declaration of trust dated 3rd November 1982

Trustees: The Trustees of the Inner Temple Scholarship Fund, set up by the declaration of trust, are:

The Rt Hon Sir Stephen Tomlinson
The Rt Hon Lord Justice Nugee
David Pittaway QC
Penelope Reed QC

Principal Address: Inner Temple
London EC4Y 7HL

Bankers: Royal Bank of Scotland
9-13 Paternoster Row
London EC4M 7EJ

Solicitors: Forsters LLP
31 Hill Street
London W1J 5LS

Lewis Silkin LLP
5 Chancery Lane
Clifford's Inn
London EC4A 1BL

Auditors: Crowe U.K. LLP
55 Ludgate Hill
London
EC4M 7JW

Investment Managers: Veritas Investment Management LLP
Riverside House
2A Southwark Bridge Road
London SE1 9HA

Investment Powers: The Trustees have wide powers of investment.

The Inner Temple Scholarship Fund

Report of the Trustees for the year ended 31st December 2020 (continued)

Statement of Trustees' responsibilities

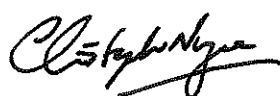
The Trustees are responsible for preparing the Annual Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity 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 in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 adequate accounting records that are sufficient to show and explain the charity's transactions, disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved for the Trustees on **28 October** 2021 and signed on their behalf:



The Rt Hon Lord Justice Nugee
Trustee

The Inner Temple Scholarship Fund

Independent Auditor's Report to the Trustees of the Inner Temple Scholarship Fund

Opinion

We have audited the financial statements of the Inner Temple Scholarship Fund ('the charity') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance sheet, the Cash Flow Statement and notes to the financial statements, including 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 charity's affairs as at 31 December 2020 and of 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 Charities Act 2011.

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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 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.

The Inner Temple Scholarship Fund

Independent Auditor's Report to the Trustees of the Inner Temple Scholarship Fund (continued)

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient and proper accounting records have not been kept by the charity; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section of the Charities Act 2011, and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

The Inner Temple Scholarship Fund

Independent Auditor's Report to the Trustees of the Inner Temple Scholarship Fund (continued)

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. We noted no additional laws and regulations in this context for the UK operations.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Board about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

Crowe U.K. LLP
Statutory Auditor

Crowe U.K. LLP
55 Ludgate Hill
London EC4M 7JW

Date: 29 October 2021

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

The Inner Temple Scholarship Fund

Statement of Financial Activities for the year ended 31st December 2020

	Notes	Restricted Income £	Permanent Endowment £	Total 2020 £	Restricted Income £	Permanent Endowment £	Total 2019 £
Incoming resources							
Donations and legacies		-	-	-	-	-	-
Income from investments	2	63,892	-	63,892	68,970	-	68,970
Other Income		128	-	128	192	-	192
Total income and endowments		64,020	-	64,020	69,162	-	69,162
Expenditure on raising funds							
Investment managers' charges		48,158	-	48,158	44,112	-	44,122
Bank charges		5	-	5	-	-	-
		48,163	-	48,163	44,112	-	44,112
Expenditure on charitable activities							
Contributions towards total scholarships awarded by the Inner Temple		59,839	-	59,839	113,168	-	113,168
		59,839	-	59,839	113,168	-	113,168
Total expenditure		108,002	-	108,002	157,280	-	157,280
Net gains on investments	3d	-	736,268	736,268	-	670,582	670,582
Net income/ (expenditure)		(43,982)	736,268	692,286	(88,118)	670,582	582,464
Transfer between funds		43,982	(43,982)	-	44,640	(44,640)	-
Net movement in funds		-	692,286	692,286	(43,478)	625,942	582,464
Fund balances brought forward							
At 1 st January 2020		-	5,468,617	5,468,617	43,478	4,842,675	4,886,153
Fund balances carried forward							
At 31st December 2020		-	6,160,903	6,160,903	-	5,468,617	5,468,617

All the above amounts relate to continuing activities.

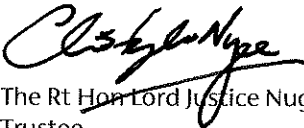
The notes on pages 13 to 18 form part of these financial statements.

The Inner Temple Scholarship Fund

Balance sheet as at 31st December 2020

	Notes	Restricted Income £	Permanent Endowment £	Total 2020 £	Total 2019 £
Fixed assets					
Investments	3	-	<u>6,160,903</u>	<u>6,160,903</u>	<u>5,468,617</u>
Current assets					
Debtors	4	7,795	-	7,795	5,907
Bank		<u>207,779</u>	-	<u>207,779</u>	<u>148,165</u>
		<u>215,574</u>	-	<u>215,574</u>	<u>154,072</u>
Creditors: amounts falling due within one year	5	<u>(215,574)</u>	-	<u>(215,574)</u>	<u>(154,072)</u>
Net current assets		-	-	-	-
Total assets less current liabilities		-	<u>6,160,903</u>	<u>6,160,903</u>	<u>5,468,617</u>
Represented by: The Inner Temple Scholarship Fund	1h, 8	-	<u>6,160,903</u>	<u>6,160,903</u>	<u>5,468,617</u>

The financial statements on pages 10 to 18 were approved and authorised for issue by the Trustees on *28 October* 2021 and signed on their behalf:


 The Rt Hon Lord Justice Nugee
 Trustee

The notes on pages 13 to 18 form part of these financial statements.

The Inner Temple Scholarship Fund

Cash flow statement For the year ended 31st December 2020

	<u>Note</u>	<u>2020</u>	<u>2019</u>
<u>Net cash underprovided by operating activities</u>	11	<u>(46,500)</u>	<u>(108,491)</u>
<u>Cash flow from investment activities</u>			
Dividends and interest from investments		62,132	71,052
Proceeds of sale of investments		1,191,818	761,366
Purchase of investment		<u>(1,147,836)</u>	<u>(716,727)</u>
<u>Net cash provided by investing activities</u>		<u>106,114</u>	<u>115,691</u>
<hr/>			
Cash and cash equivalents in the reporting period		<u>59,614</u>	<u>7,200</u>
Cash and cash equivalents at the beginning of the reporting period	12	<u>148,165</u>	<u>140,965</u>
<u>Cash and cash equivalents at the end of the reporting period</u>	12	<u>207,779</u>	<u>148,165</u>

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

The Inner Temple Scholarship Fund

Notes to the financial statements for the year ended 31st December 2020

1. Accounting policies

a) Basis of accounting

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014.

The Inner Temple Scholarship Fund constitutes a public benefit entity as defined by FRS 102.

After making enquires, the Trustees have a reasonable expectation that the charity has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Trustees Responsibilities on page 6.

The Covid-19 pandemic has had no material impact on the Charity's operations. The Trustees, the relevant committees, professional advisers and staff continue to monitor the situation carefully.

Having regard to the above, the current cash position, and expected cashflow over the following twelve months the Trustees believe it is appropriate to adopt the going concern basis of accounting in preparing the financial statements.

b) Critical accounting judgements and key sources of estimation uncertainty

Sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described in the accounting policies. No specific accounting judgements and uncertainties have been identified for the current year.

c) Investments

Investments are included in the accounts at fair value. Net realised and unrealised gains and losses are reflected in the Statement of Financial Activities as net gains/losses on investments.

d) Incoming resources

Donations, interest and investment income are accounted for when receivable. Legacies are accounted for when entitlement has been granted and the income is probable and measurable.

e) Resources expended

Direct charitable expenditure comprises services supplied and activities undertaken, which are identifiable as wholly or mainly in support of the charity's objectives. The costs of generating funds relate to the management of the charity's assets. The Charity has no direct employees or support costs in running the organisation.

The Inner Temple Scholarship Fund

Notes to the financial statements for the year ended 31st December 2020 (continued)

f) **The Inner Temple Scholarship Fund**

The Inner Temple Scholarship Fund is an approved charity registered with The Charity Commissioners in 1982.

g) **Taxation**

The Inner Temple Scholarship Fund is a registered charity and taxation is not applicable.

h) **Permanent endowments**

These comprise funds donated by the Honourable Society of the Inner Temple for the purposes of generating income to support students wishing to train as barristers.

i) **Financial instruments**

The Inner Temple Scholarship Fund has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise bank loans and overdrafts, trade and other creditors.

Investments, including bonds held as part of an investment portfolio are held at market value at the Balance Sheet date, with gains and losses being recognised within income and expenditure.

2. **Investment income**

	2020	2019
	£	£
UK equities	9,555	10,111
Foreign equity	33,830	40,246
Fixed income	20,507	18,613
	<u>63,892</u>	<u>68,970</u>

3. **Investments**

(a) **Reconciliation of movement in investment assets**

	2020	2019
	£	£
Market value at 1 st January 2020	5,468,617	4,842,675
Additions to investments at cost	910,869	704,943
Disposals at carrying value	(1,027,370)	(725,492)
Unrealised gains for the year	808,787	646,491
Market value at 31 st December 2020	<u>6,160,903</u>	<u>5,468,617</u>

The Inner Temple Scholarship Fund

Notes to the financial statements for the year ended 31st December 2020 (continued)

(b) Analysis of investments:

	2020	2019
	£	£
UK equities	387,787	492,001
Foreign equity	3,843,477	3,095,840
Fixed income	1,463,499	1,135,802
Cash	466,140	744,974
	<u>6,160,903</u>	<u>5,468,617</u>
Historical cost at 31 st December	<u>4,197,648</u>	<u>4,077,183</u>

(c) Reconciliation of movements in unrealised gains on

Investment assets	2020	2019
	£	£
Unrealised gains at 1 st January 2020	1,391,434	756,726
Gains written back on disposal	(236,967)	(11,783)
Net gains on revaluation	808,787	646,491
Unrealised gain at 31 st December 2020	<u>1,963,254</u>	<u>1,391,434</u>

(d) Net gain on investment

	2020	2019
	£	£
Unrealised gains	808,787	646,491
Realised (losses)/ gains	(72,519)	24,091
Net gain at 31 st December 2020	<u>736,268</u>	<u>670,582</u>

4. Debtors

	2020	2019
	£	£
Dividend income	7,795	5,907
	<u>7,795</u>	<u>5,907</u>

5. Creditors: Amounts falling due within one year

	2020	2019
	£	£
Amount due to The Honourable Society of The Inner Temple	199,384	139,545
Amount due to The Peter Taylor Scholarship Fund	-	-
Amount due to The Benefactors' Fund	1,500	1,500
Accrued expenditure	14,690	13,027
	<u>215,574</u>	<u>154,072</u>

The Inner Temple Scholarship Fund

Notes to the financial statements for the year ended 31st December 2020 (continued)

6. Financial instruments

	2020	2019
	£	£
Financial assets measured at amortised cost	7,795	5,907
Financial assets measured at fair value	6,160,903	5,468,617
Financial liabilities measured at amortised cost	215,574	154,072

The Trust's income, expense, gains and losses in respect of these financial instruments are summarised below:

	2020	2019
	£	£
Total income for financial assets held at fair value	7,795	5,907
Total gains for financial assets held at fair value	1,980,677	1,439,947
Total losses for financial assets held at fair value	17,423	48,513

7. Funds

(a) Permanent Endowment Funds

	Balance at 1 st Jan 2020	Capital Additions	Gains	Transfers	Balance at 31 st Dec 2020
	£	£	£		£
The Inner Temple Scholarship Fund	<u>5,468,617</u>	-	736,268	(43,982)	<u>6,160,903</u>

	Balance at 1 st Jan 2019	Capital Additions	Losses	Transfers	Balance at 31 Dec 2019
	£	£	£		£
The Inner Temple Scholarship Fund	<u>4,842,675</u>	-	670,582	(44,640)	<u>5,468,617</u>

(b) Restricted Income Funds

	Balance at 1 st Jan 2020	Income	Expenditure	Transfers	Balance at 31 st Dec 2020
	£	£	£	£	£
The Inner Temple Scholarship Fund	<u>-</u>	64,020	(108,002)	43,982	<u>-</u>

	Balance at 1 st Jan 2019	Income	Expenditure	Transfers	Balance at 31 st Dec 2019
	£	£	£	£	£
The Inner Temple Scholarship Fund	<u>43,478</u>	69,162	(157,280)	44,640	<u>-</u>

The Inner Temple Scholarship Fund

Notes to the financial statements for the year ended 31st December 2020 (continued)

8. Analysis of net assets

	2020	2019
	£	£
Fixed assets:		
Investments	6,160,903	5,468,617
Current assets:		
Debtors	7,795	5,907
Cash at bank and in hand	207,779	148,165
Creditors: amounts falling due within one year	(215,574)	(154,072)
Inter-fund transfer		
	<u>6,160,903</u>	<u>5,468,617</u>

9. Audit fees

The Charity's audit fees are paid by the Honourable Society of the Inner Temple. Inner Temple paid £4,080 on account of the audit fees in 2020 (2019 - £4,020).

10. Trustees

None of the Trustees received any reimbursement of expenses or remuneration for their services during the year.

11. Reconciliation of cash inflow from operating activities

	2020	2019
	£	£
Net income for the reporting period	692,286	582,464
Gains on investments	(736,268)	(670,582)
Dividends	(63,892)	(68,970)
Other income	(128)	(192)
	<u>(108,002)</u>	<u>(157,280)</u>
Operating deficit	(108,002)	(157,280)
Increase in creditors	61,502	48,789
Net cash underprovided by operating activities	<u>(46,500)</u>	<u>(108,491)</u>

12. Cashflow

(a) Analysis of short-term deposits and cash at bank as shown in the balance sheet

	<u>At 1st Jan</u> <u>2020</u>	<u>Cash flow</u>	<u>At 31st Dec</u> <u>2020</u>
Short-term deposits	123,165	59,614	182,779
Cash at bank	25,000	-	25,000
Cash and bank balances	<u>148,165</u>	<u>59,614</u>	<u>207,779</u>

The Inner Temple Scholarship Fund

Notes to the financial statements for the year ended 31st December 2020 (continued)

(b) Reconciliation of net cash flow to movement in net cash

Increase in cash and short-term deposits	59,614
Movement in net debt	
Net cash at 1 st January 2020	148,165
Net cash at 31 st December 2020	<u>207,779</u>

13. Related party transactions

The Inner Temple Scholarship Fund distributes the residual surplus of the restricted income fund to the Honourable Society of the Inner Temple. The fund contributed £59,839 towards the cost of the Inn's scholarship awards in 2020 (2019 - £113,168). The amount of £199,384 in creditors (Note 5) represents the contribution due to the Inner Temple as at 31st December 2020 (2019 - £139,545). This balance is unsecured, interest free and payable on demand.

The Inner Temple paid the Inner Temple Scholarship Fund's audit fees of £4,080 in 2020 (2019 - £4,020).

In the reporting period the Inner Temple Scholarship Fund transferred no funds to the Inner Temple Benefactors' Scholarship Fund nor to the Honourable Society of the Inner Temple.

