THE LINCOLN'S INN HERITAGE FUND

England & Wales · Charity number 293662

Details

Status	Registered
Legal form	Trust
Registered	1986-02-10
Register	View on the Charity Commission register

Contact

Address	Treasury Office Hon Society Of Lincoln's Inn Lincoln's Inn London WC2A 3TL
Phone	02076935113
Email	accounts@lincolnsinn.org.uk

Activities

Objects: THE MAINTENANCE, IMPROVEMENT, REPAIR, EMBELLISHMENT, UPKEEP OR PRESERVATION OF OR MAKING PROVISION FOR PUBLIC ACCESS TO THE HERITAGE PROPERTY OR ANY PART THEREOF IN SUCH MANNER AS THE COUNCIL MAY FROM TIME TO TIME DIRECT OR APPROVE.

Activities: The purpose of the charity is to use the whole or part of its funds towards the maintenance, improvement, repair, embellishment, upkeep or preservation of the heritage property or part thereof of the honourable society of Lincoln's Inn.

Classification

- **How:** Acts As An Umbrella Or Resource Body
- **What:** General Charitable Purposes, Arts/culture/heritage/science, Environment/conservation/heritage
- **Who:** People With Disabilities, Other Defined Groups

Geography

- **Area of benefit:** LAND WITHIN LINCOLN'S INN
- Camden

Finances

Period end	Income	Expenditure	Assets	Employees
2025-12-31	£73,393	£1,248	-	-
2024-12-31	£76,218	£8,417	-	-
2023-12-31	£61,376	£420	-	-
2022-12-31	£83,592	£1,000,425	-	-
2021-12-31	£91,581	£9,915	-	-
2020-12-31	£65,160	£10,450	-	-

Trustees

Name	Role	Appointed
MARK STUDER		
Martin Luke Moore KC		2023-11-04
THE HON MR JUSTICE DAVID ANTHONY STEWART RICHARDS		

Accounts

CHARITY REGISTRATION 293662

THE HONOURABLE SOCIETY OF LINCOLN'S INN
THE HERITAGE FUND
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

THE HONOURABLE SOCIETY OF LINCOLN'S INN
THE HERITAGE FUND 31 DECEMBER 2025

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

CHARITY REGISTRATION NUMBER:	293662
PRINCIPAL ADDRESS:	The Honourable Society of Lincoln's Inn Treasury Office Lincoln's Inn London WC2A 3TL
NAMES OF CHARITY TRUSTEES:	The Rt. Hon Lord Richards of Camberwell (Chair) Mr P L O Leaver KC Mr Mark Studer Mr Martin Moore KC
BANKERS:	C. HOARE & Co 37 Fleet Street London EC4P 4DQ
AUDITORS:	HaysMac LLP 10 Queen Street Place London EC4R 1AG
INVESTMENT MANAGERS:	Legal & General Group Plc Legal & General Investment Management One Coleman Street London EC2R 5AA

The Trustees present their annual report and the audited financial statements for the year ended 31 December 2024. The financial statements have been prepared on the accounting policies set out on pages 11 to 12 of the financial statements and comply with the Charity's trust deed, applicable law and the requirements of the 'Statement of Recommended Practice, Accounting and Reporting by Charities' issued in October 2019.

OBJECTS, OBJECTIVES AND PRINCIPAL ACTIVITIES

The Charity is governed by its Trust Deed. The purpose of the Charity is to use the whole or any part of its fund towards maintenance, improvement, repair, embellishment, upkeep or preservation of the Heritage Property or part thereof of the Honourable Society of Lincoln's Inn.

PERFORMANCE OF FUND

Covenants, donations and legacies received during the year ended 31 December 2025 amounted to £21k (2024: £35k).

Investment income received during 2025 was £51k (2024: £39k).

Investments this year have achieved a gain of £221k (2024: gain of £179k). Investments are shown on the Balance Sheet at market value in accordance with charity accounting rules.

The Net Assets of the Fund increased from £2,208k to £2,502k.

GOING CONCERN

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

FUNDRAISING

We did not actively fundraise during 2025; we are fortunate to receive donations and bequests from time to time. We are grateful for the generosity of the donors.

GRANT MAKING POLICY

The Heritage Fund Trustees receive funding requests from the various Committees of the Inn, for their consideration. Projects considered are for those that have been approved by the Council of Lincoln's Inn or by the Finance & General Purposes Committee of Lincoln's Inn. The Heritage Fund Trustees may offer to fund either all or part of the proposed project. Expenditure not met by the Heritage Fund on an approved project is met by The Honourable Society of Lincoln's Inn itself.

In making a grant the Heritage Fund Trustees expect the responsible Committee to supervise the spending of the monies granted. The Heritage Fund Trustees are not themselves in a position to do so. Lincoln's Inn pays the contractor in question on production of properly authorised and relevant invoices. Expenditure by Lincoln's Inn is controlled and managed by its various officers and monitored by the Finance & General Purposes Committee. Once the project is in progress and the costs of the project are being met, the Inn request's part or all of the promised grant, to the value of its already expended funds.

RESERVES POLICY

The Trustees have reviewed the reserves of the Charity, which comprises of £748k unrestricted up from £629k in 2025, £6k restricted up from £5k in 2025 and £1,748k of expendable endowed reserves up from £1,574k in 2025. The Trustees felt it important to maintain the expendable endowment at present as the investment in stocks and shares is the only significant source of income the fund receives. The Trustees have agreed to retain a buffer of circa £1.5m in total reserves in case of emergency calls due to the age and nature of the buildings supported by the Charity. Spending patterns and the nature of the potential projects vary widely, with £400k in 2019 and £1,000k in 2022. There is no more expenditure until 2026 for £222k, of which there will be fundraising.

This review encompassed the nature of the income and expenditure streams, the need to match variable income with anticipated donations to Lincoln's Inn and the nature of the reserves. Reserves are held in anticipation of the future needs of the Inn for its heritage buildings identified from and in accordance with the Inn's 10-year estate maintenance plan produced by the Estates Department. Grants are funded from free reserves and income during the year. During the year the Charity's unrestricted reserve fund increased by £119k from £629k to £748k.

FUTURE DEVELOPMENTS

After a number of years of significant expenditure on properties that the Fund can support, there are a number of years ahead where expenditure on relevant buildings is not expected to be incurred. The Trustees will continue to consider any suitable projects that may arise in the coming years that are not currently reflected in the Inn's 10-year estate management plan. This includes a recent project proposed for the window conservation works to the east window of the Chapel.

RISK MANAGEMENT

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

INVESTMENT POWERS AND POLICY

In accordance with their powers under the Trust Deed, the Trustees have delegated the day-to-day management of the portfolio and the investment powers to the Lincoln's Inn Investment Committee. LGIM's purpose is to create a better future through responsible investing. Aligned to this purpose, ESG is a central commitment underpinning to all of LGIM's activities and especially within strategic initiatives. LGIM has developed and publicly disclosed its policies for stewardship activities. Their policies are reviewed annually and updated where necessary to ensure they remain aligned with the various evolving regulations, best practice and client feedback.

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

LEGAL & GENERAL'S INVESTMENT MANDATE

Legal & General manage the Scheme's assets on a passive basis in their pooled index funds. The distribution of the Scheme's assets is to be maintained in the prescribed proportions.

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

FUNDS

The expendable endowment fund was created by gifts a number of years ago. The income of this trust is treated as unrestricted income. The terms of the endowment allow the capital of the fund to be spent if the Trustees so determine. In the opinion of the Trustees the Charity's assets are sufficient to meet its commitments.

TRUSTEES' TRAINING AND REMUNERATION

The Trustees are autonomous.

Appropriate induction and training procedures are made available to new Trustees. Consideration is given to the skills required and taking into account the fact that all the appointed Trustees are experienced lawyers.

The Charity has no employees, and the Trustees do not receive remuneration for their services.

TRUSTEES' RESPONSIBILITIES

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

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 Charity's financial activities during the year and of its financial position at the end of the year. In preparing accounts giving a true and fair view, the Trustees should follow best practice and:

i) select suitable accounting policies and apply them consistently.

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

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

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

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

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

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

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

Approved by the Trustees on:

and signed on their behalf by:

David Richards
20 May 2026

The Rt. Hon Lord Richards of Camberwell
Chair of the Trustees

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

OPINION

We have audited the financial statements of The Honourable Society of Lincoln’s Inn - Heritage Fund for the year ended 31 December 2025 which comprise the Statement of Financial Activities, Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2024 and of the Charity's net movement in funds for the year then ended;

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

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

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the trustees’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

RESPONSIBILITIES OF TRUSTEES FOR THE FINANCIAL STATEMENTS

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES OF THE HONOURABLE SOCIETY OF LINCOLN'S INN
THE HERITAGE FUND (cont…)
FOR THE YEAR ENDED 31 DECEMBER 2025

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

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

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to management override of controls. Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud.

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

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

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

HaysMac LLP

HaysMac LLP
Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

Date: 26/05/2026

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

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

	Restricted Funds	Unrestricted Funds	Expendable Endowment Funds	Total 2025	2024
	£	£	£	£	£
Income:					
Donations & legacies & gift aid	500	20,987	-	21,487	35,274
Investment Income	-	50,803	-	50.803	38,950
Interest Receivable	-	1,103	-	1,103	1,994
Total Income	500	72,893	-	73,393	76,218
Expenditure:					
Maintenance and Improvements to Heritage Property					
Management & Administration		1,248	-	1,248	943
Chapel and Library project expenditure		-	-	-	7,474
Total Expenditure	-	1,248	-	1,248	8,417
Net gain/(loss) on investments	580	47,076	173,521	221,177	179,375
NET MOVEMENT IN FUNDS	1,080	118,721	173,521	293,322	247,176
Fund balances brought forward at 1 January	5,264	628,919	1,574,227	2,208,410	1,961,234
Fund balances carried forward at 31 December	6,344	747,640	1,747,748	2,501,732	2,208,410

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

The notes on pages 13 to 16 form part of these financial statements

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

	Note	2025 £	2024 £
FIXED ASSETS			
Investments	4	2,278,170	2,006,579
CURRENT ASSETS			
Debtors - Gift Aid Recoverable		12,586	10,280
Other Debtors - Legal & General	6	2,202	1,813
Cash at bank		187,095	175,289
Amounts due from Lincoln's Inn		21,799	14,569
TOTAL CURRENT ASSETS		223,682	171,228
CURRENT LIABILITIES			
Creditors	7	120	60
		120	60
NET CURRENT ASSETS		223,562	201,831
NET ASSETS		2,501,732	2,208,410
FUNDS			
Unrestricted	5	747,640	628,919
Expendable Endowment	5	1,747,748	1,574,227
Restricted		6,344	5,264
		2,501,732	2,208,410

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

David Richards
20 May 2026

The Rt. Hon Lord Richards of Camberwell
Chair of the Trustees

The notes on pages 13 to 16 form part of these financial statements

ACCOUNTING POLICIES

1. **General Information Note**
   The charity is unincorporated, its address is registered The Honourable Society of Lincoln's Inn, Treasury Office, Lincoln's Inn, London, WC2A 3TL. The objectives are set out on page 4.

2. **Accounting Policies**

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

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

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

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

   - The charity is aware that probate has been granted.
   - The estate has been finalised and notification had been made by the executor(s) to the Trust that a distribution will be made.
   - When a distribution is received from the estate.

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

iv. **Expenditure**

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

Charitable expenditure comprises expenditure directly relating to the preservation, repair and maintenance of Heritage Property and land and buildings which are situated in Lincoln's Inn and whose upkeep is for the time being charitable.

v. **The Funds of the Charity Comprise:**

The expendable endowment fund was created by gifts a number of years ago. The income of this trust is treated as unrestricted income. The terms of the endowment allow the capital of the fund to be spent if the Trustees so determine.

Restricted funds are donations which the donor has specified are solely used for particular areas of the Trust's work or for a specific project. £5k of which is for adding/improving pictures hung in the heritage sites, received via a legacy. £1k for restoration tothe East Window in the Chapel received via a donation.

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

vi. **Investments**

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

vii. **Debtors**

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

viii. **Cash at bank and in hand**

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

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

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

xi. **Taxation**
The Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

xii. **Critical Accounting Estimates & Areas of Judgement**
The trust does not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period. Areas of judgement include legacy income for entitlement and allocation, and expenditure to determine whether it falls within the Heritage requirements.

3. **GOVERNANCE**

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

4. **TRANSACTIONS WITH TRUSTEES**

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

THE HONOURABLE SOCIETY OF LINCOLN'S INN
THE HERITAGE FUND
NOTES TO THE ACCOUNTS (Cont…)
FOR THE YEAR ENDED 31 DECEMBER 2025

5. INVESTMENTS

	2025	2024
	£	£
Market value 1 January	2,006,579	1,790,067
Additions at cost	50,414	619,125
Proceeds of disposals	-	(581,988)
	2,056,993	1,827,204
Realised and Unrealised gains/(losses)	221,177	179,375
Market value 31 December	2,278,170	2,006,579
Historical cost 31 December	393,184	342,770

Indirect transaction costs are incurred through the bid-offer spread on investments within pooled.

Significant investment holdings based at market value at 31 December

	2024		2024	
	%	£	%	£
L&G International Index Trust	43.73	996,287	43.5	872,894
L&G Emerging Markets	13.47	306,768	13.00	260,841
L&G UK Index Trust	16.08	366,222	14.75	295,965
L&G Short Dated Sterling Corporate Bond Index Fund	18.40	419,278	19.58	392,888
L&G All Stocks Index Linked Gilt Index Trust	3.99	90,896	4.48	89,930
L&G All Stocks Gilt Index Trust	4.33	98,719	4.69	94,061
	100	2,278,170	100	2,006,579

6. ANALYSIS OF NET ASSETS BY FUND

2025	Restricted Funds	Unrestricted Funds	Expendable Endowment	Total
		£	£	£
Fixed asset investments	-	530,422	1,747,748	2,278,170
Net current assets	6,344	217,218	-	223,562
Total	6,344	747,640	1,747,748	2,501,732

2024	Restricted Funds	Unrestricted Funds	Expendable Endowment	Total
		£	£	£
Fixed asset investments	-	432,352	1,574,227	2,006,579
Net current assets	5,264	196,567	-	201,831
Total	5,264	628,919	1,574,227	2,208,410

7. DEBTORS

	2025 £	2024 £
Accrued income	2,202	1,813

8. CREDITORS

	2025 £	2024 £
Other creditors	120	120

9. RELATED PARTY TRANSACTIONS

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

All the expenditure incurred by them in support of projects concerning the Heritage Property is initially incurred by Lincoln's Inn which is then reimbursed by the Trustees. The balance of the intercompany account is now £22k and will be transferred from the Inn during 2025.

Accounts

CHARITY REGISTRATION 293662

THE HONOURABLE SOCIETY OF LINCOLN'S INN
THE HERITAGE FUND
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
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THE HONOURABLE SOCIETY OF LINCOLN'S INN
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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2024

CHARITY REGISTRATION NUMBER:	293662
PRINCIPAL ADDRESS:	The Honourable Society of Lincoln's Inn Treasury Office Lincoln's Inn London WC2A 3TL
NAMES OF CHARITY TRUSTEES:	The Rt. Hon Lord Richards of Camberwell (Chair) Mr P L O Leaver KC Mr Mark Studer Mr Martin Moore KC
BANKERS:	C. HOARE & Co 37 Fleet Street London EC4P 4DQ
AUDITORS:	HaysMac LLP 10 Queen Street Place London EC4R 1AG
INVESTMENT MANAGERS:	Legal & General Group Plc Legal & General Investment Management One Coleman Street London EC2R 5AA

The Trustees present their annual report and the audited financial statements for the year ended 31 December 2024. The financial statements have been prepared on the accounting policies set out on pages 11 to 12 of the financial statements and comply with the Charity's trust deed, applicable law and the requirements of the 'Statement of Recommended Practice, Accounting and Reporting by Charities' issued in October 2019.

OBJECTS, OBJECTIVES AND PRINCIPAL ACTIVITIES

The Charity is governed by its Trust Deed. The purpose of the Charity is to use the whole or any part of its fund towards maintenance, improvement, repair, embellishment, upkeep or preservation of the Heritage Property or part thereof of the Honourable Society of Lincoln's Inn.

PERFORMANCE OF FUND

Covenants, donations and legacies received during the year ended 31 December 2024 amounted to £35k (2023: £22k).

Investment income received during 2024 was £39k (2023: £37k).

Investments this year have achieved a gain of £179k (2023: gain of £71k). Investments are shown on the Balance Sheet at market value in accordance with charity accounting rules.

The Net Assets of the Fund increased from £1,961k to £2,208k.

FUNDRAISING

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

GRANT MAKING POLICY

The Heritage Fund Trustees receive funding requests from the various Committees of the Inn, for their consideration. Projects considered are for those that have been approved by the Council of Lincoln's Inn or by the Finance & General Purposes Committee of Lincoln's Inn. The Heritage Fund Trustees may offer to fund either all or part of the proposed project. Expenditure not met by the Heritage Fund on an approved project is met by The Honourable Society of Lincoln's Inn itself.

In making a grant the Heritage Fund Trustees expect the responsible Committee to supervise the spending of the monies granted. The Heritage Fund Trustees are not themselves in a position to do so. Lincoln's Inn pays the contractor in question on production of properly authorised and relevant invoices. Expenditure by Lincoln's Inn is controlled and managed by its various officers and monitored by the Finance & General Purposes Committee. Once the project is in progress and the costs of the project are being met, the Inn requests part or all of the promised grant, to the value of its already expended funds.

RESERVES POLICY

The Trustees have reviewed the reserves of the Charity, which comprise £629k unrestricted and £1,574k of expendable endowed reserves. The Trustees felt it important to maintain the expendable endowment at present as the investment in stocks and shares is the only significant source of income the fund receives. The Trustees have agreed to retain a buffer of circa £1.5m in total reserves in case of emergency calls due to the age and nature of the buildings supported by the Charity.

This review encompassed the nature of the income and expenditure streams, the need to match variable income with anticipated donations to Lincoln's Inn and the nature of the reserves. Reserves are held in anticipation of the future needs of the Inn for its heritage buildings identified from and in accordance with the Inn's 10-year estate maintenance plan produced by the Estates Department. Grants are funded from free reserves and income during the year. During the year the Charity's unrestricted reserve fund increased by £109k from £520k to £629k.

FUTURE DEVELOPMENTS

After a number of years of significant expenditure on properties that the Fund can support, there are a number of years ahead where expenditure on relevant buildings is not expected to be incurred. The Trustees will continue to consider any suitable projects that may arise in the coming years that are not currently reflected in the Inn's 10-year estate management plan.

INVESTMENT POWERS AND POLICY

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

The funds are invested with Legal & General under passive management in pooled funds.

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

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

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

INVESTMENT PERFORMANCE

During the year the Trustees transferred the 30% of funds held within Ruffer LLP, to join the remaining 70% of the fund with Legal & General, which is under a passive management in pooled funds.

The performance of the Legal & General portfolio tracked the market, so while doing no better than the market, the fund has done no worse.

LEGAL & GENERAL'S INVESTMENT MANDATE

Legal & General manage the Scheme's assets on a passive basis in their pooled index funds. The distribution of the Scheme's assets is to be maintained in the prescribed proportions.

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

FUNDS

The expendable endowment fund was created by gifts a number of years ago. The income of this trust is treated as unrestricted income. The terms of the endowment allow the capital of the fund to be spent if the Trustees so determine. In the opinion of the Trustees the Charity's assets are sufficient to meet its commitments.

TRUSTEES' TRAINING AND REMUNERATION

Appropriate induction and training procedures are made available to new Trustees. Consideration is given to the skills required and taking into account the fact that all the appointed Trustees are experienced lawyers.

The Charity has no employees and the Trustees do not receive remuneration for their services.

TRUSTEES' RESPONSIBILITIES

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

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 Charity's financial activities during the year and of its financial position at the end of the year. In preparing accounts giving a true and fair view, the Trustees should follow best practice and:

i) select suitable accounting policies and apply them consistently.

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

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

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

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

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

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

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

Approved by the Trustees on:

and signed on their behalf by:

David Richards
29 July 2025

The Rt. Hon Lord Richards of Camberwell
Chair of the Trustees

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

OPINION

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

In our opinion, the financial statements:

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

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

RESPONSIBILITIES OF TRUSTEES FOR THE FINANCIAL STATEMENTS

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to management override of controls. Audit procedures performed by the engagement team included:

Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud.

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

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

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

HaysMac LLP

HaysMac LLP
Statutory Auditors
Date: 04/08/2025

10 Queen Street Place
London
EC4R 1AG

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

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

	Restricted Funds	Unrestricted Funds	Expendable Endowment Funds	Total 2024	2023
	£	£	£	£	£
Income:					
Donations & legacies & gift aid	-	35,274	-	35,274	22,283
Investment Income	-	38,950	-	38,950	36,778
Interest Receivable	-	1,994	-	1,994	2,315
Total Income	-	76,218	-	76,218	61,376
Expenditure:					
Maintenance and Improvements to Heritage Property					
Management & Administration		(943)	-	(943)	(420)
Chapel and Library project expenditure		(7,474)	-	(7,474)	-
Total Expenditure	-	(8,417)	-	(8,417)	(420)
Net gain/(loss) on investments	462	40,801	138,112	179,375	70,619
NET MOVEMENT IN FUNDS	462	108,602	138,112	247,176	131,575
Fund balances brought forward at 1 January	4,802	520,317	1,436,115	1,961,234	1,829,660
Fund balances carried forward at 31 December	5,264	628,919	1,574,227	2,208,410	1,961,235

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

The comparative figures relate to unrestricted funds gain of £12k and a gain of £58k for Endowment Funds.

The notes on pages 13 to 16 form part of these financial statements

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

	Note	2024 £	2023 £
FIXED ASSETS			
Investments	4	2,006,579	1,790,067
CURRENT ASSETS			
Debtors - Gift Aid Recoverable		10,280	8,482
Other Debtors - Legal & General	6	1,813	-
Cash at bank		175,289	154,974
Amounts due from Lincoln's Inn		14,569	7,772
TOTAL CURRENT ASSETS		201,951	171,228
CURRENT LIABILITIES			
Creditors	7	120	60
		120	60
NET CURRENT ASSETS		201,831	171,168
NET ASSETS		2,208,410	1,961,235
FUNDS			
Unrestricted	5	628,919	520,318
Expendable Endowment	5	1,574,227	1,436,114
Restricted		5,264	4,803
		2,208,410	1,961,235

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

David Richards

29 July 2025

The Rt. Hon Lord Richards of Camberwell
Chair of the Trustees

The notes on pages 13 to 16 form part of these financial statements

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

ACCOUNTING POLICIES

1. **Accounting Policies**

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

    ii. **Going Concern**
    The Trustees have considered various future scenarios and their impact and are confident that the Fund will have sufficient resources to meet its liabilities for at least 12 months from the date of signing this report and as such the accounts have been prepared on a going concern basis.

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

    - For legacies, entitlement is taken as the earlier of the date on which either:
    - The charity is aware that probate has been granted.
    - The estate has been finalised and notification had been made by the executor(s) to the Trust that a distribution will be made.
    - When a distribution is received from the estate.

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

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

iv. **Expenditure**

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

Charitable expenditure comprises expenditure directly relating to the preservation, repair and maintenance of Heritage Property and land and buildings which are situated in Lincoln's Inn and whose upkeep is for the time being charitable.

v. **The Funds of the Charity Comprise:**

The expendable endowment fund was created by gifts a number of years ago. The income of this trust is treated as unrestricted income. The terms of the endowment allow the capital of the fund to be spent if the Trustees so determine.

vi. **Investments**

Investments are stated at mid-market value at the balance sheet date. The SOFA includes the net gains and losses arising on revaluation and disposals throughout the year.

2. GOVERNANCE

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

3. TRANSACTIONS WITH TRUSTEES

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

4. INVESTMENTS

	2024 £	2023 £
Market value 1 January	1,790,067	1,683,139
Additions at cost	619,125	731,976
Proceeds of disposals	(581,988)	(695,667)
	1,827,204	1,719,488
Realised and Unrealised gains/(losses)	179,375	70,619
	179,375	70,619
Market value 31 December	2,006,579	1,790,067
Historical cost 31 December	342,770	310,436

Indirect transaction costs are incurred through the bid-offer spread on investments within pooled.

Significant investment holdings based at market value at 31 December

	2024		2023	
	%	£	%	£
L&G International Index Trust	43.50	872,894	45.49	814,260
L&G Emerging Markets	13.00	260,841	13.23	263,805
L&G UK Index Trust	14.75	295,965	25.69	459,817
L&G Short Dated Sterling Corporate Bond Index Fund	19.58	392,888	-	-
L&G All Stocks Index Linked Gilt Index Trust	4.48	89,930	-	-
L&G All Stocks Gilt Index Trust	4.69	94,061	-	-
Ruffers Global Fund	-	-	25.69	459,817
	100	2,006,579	100	1,790,067

5. ANALYSIS OF NET ASSETS BY FUND

2024	Restricted Funds	Unrestricted Funds	Expendable Endowment	Total
		£	£	£
Fixed asset investments	-	432,352	1,574,227	2,006,579
Net current assets	5,264	196,567	-	201,831
Total	5,264	628,919	1,574,227	2,208,410

2023	Restricted Funds	Unrestricted Funds	Expendable Endowment	Total
		£	£	£
Fixed asset investments	-	353,953	1,436,114	1,790,067
Net current assets	4,803	166,365	-	171,168
Total	4,803	520,318	1,436,114	1,961,235

6. DEBTORS

	2024	2023
	£	£
Accrued income	1,813	-

7. CREDITORS

	2024	2023
	£	£
Other creditors	120	60

8. RELATED PARTY TRANSACTIONS

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

The fund was established by members or former members of The Honourable Society of Lincoln's Inn and as laid out in its objectives when vacancies arise in the body of Trustees the Council of Benchers of The Honourable Society of Lincoln's Inn hold the power to appoint replacements. The Trustees are autonomous. All the expenditure incurred by them in support of projects concerning the Heritage Property is initially incurred by Lincoln's Inn which is then reimbursed by the Trustees. The balance of the intercompany account is now £14k and will be transferred to the Inn during 2025.

9. FINANCIAL INSTRUMENTS

	2024 £	2023 £
Financial assets at fair value through SOFA	2,006,579	1,790,067
Financial liabilities at amortised cost	120	60
Financial asset at fair value comprise investments in shares	-	-

Financial liabilities at amortised cost comprise sundry creditors and intercompany balances.

Accounts

CHARITY REGISTRATION 293662

THE HONOURABLE SOCIETY OF LINCOLN'S INN
THE HERITAGE FUND
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

THE HONOURABLE SOCIETY OF LINCOLN'S INN
THE HERITAGE FUND 31 DECEMBER 2023

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

CHARITY REGISTRATION NUMBER:	293662
PRINCIPAL ADDRESS:	The Honourable Society of Lincoln's Inn Treasury Office Lincoln's Inn London WC2A 3TL
NAMES OF CHARITY TRUSTEES:	Mr R F D Barlow KC (Chair) RIP 3 November 2023 The Rt. Hon Lord Richards of Camberwell (Chair) Mr P L O Leaver KC Mr Mark Studer Mr Martin Moore KC appointed November 2023
BANKERS:	C. HOARE & Co 37 Fleet Street London EC4P 4DQ
AUDITORS:	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
INVESTMENT MANAGERS:	Legal & General Group Plc Legal & General Investment Management One Coleman Street London EC2R 5AA

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

The Trustees present their annual report and the audited financial statements for the year ended 31 December 2023. The financial statements have been prepared on the accounting policies set out on pages 11 to 12 of the financial statements and comply with the Charity's trust deed, applicable law and the requirements of the 'Statement of Recommended Practice, Accounting and Reporting by Charities' issued in October 2019.

OBJECTS, OBJECTIVES AND PRINCIPAL ACTIVITIES

The Charity is governed by its Trust Deed. The purpose of the Charity is to use the whole or any part of its fund towards maintenance, improvement, repair, embellishment, upkeep or preservation of the Heritage Property or part thereof of the Honourable Society of Lincoln's Inn.

PERFORMANCE OF FUND

Covenants, donations and legacies received during the year ended 31 December 2023 amounted to £22k (2022: £29k).

Investment income received during 2023 was £37k (2022: £55k).

Investments this year have achieved a gain of £71k (2022: loss of £223k). Investments are shown on the Balance Sheet at market value in accordance with charity accounting rules.

The Net Assets of the Fund increased from £1,829k to £1,961k.

FUNDRAISING

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

GRANT MAKING POLICY

The Heritage Fund Trustees receive funding requests from the various Committees of the Inn, for their consideration. Projects considered are for those that have been approved by the Council of Lincoln's Inn or by the Finance & General Purposes Committee of Lincoln's Inn. The Heritage Fund Trustees may offer to fund either all or part of the proposed project. Expenditure not met by the Heritage Fund on an approved project is met by The Honourable Society of Lincoln's Inn itself.

In making a grant the Heritage Fund Trustees expect the responsible Committee to supervise the spending of the monies granted. The Heritage Fund Trustees are not themselves in a position to do so. Lincoln's Inn pays the contractor in question on production of properly authorised and relevant invoices. Expenditure by Lincoln's Inn is controlled and managed by its various officers and monitored by the Finance & General Purposes Committee. Once the project is in progress and the costs of the project are being met, the Inn request's part or all of the promised grant, to the value of its already expended funds.

RESERVES POLICY

The Trustees have reviewed the reserves of the Charity, which comprises of £447k unrestricted and £1,378k of expendable endowed reserves. The Trustees felt it important to maintain the expendable endowment at present as the investment in stocks and shares is the only significant source of income the fund receives. The Trustees have agreed to retain a buffer of circa £1.5m in total reserves in case of emergency calls due to the age and nature of the buildings supported by the Charity.

This review encompassed the nature of the income and expenditure streams, the need to match variable income with anticipated donations to Lincoln's Inn and the nature of the reserves. Reserves are held in anticipation of the future needs of the Inn for its heritage buildings identified from and in accordance with the Inn's 10-year estate maintenance plan produced by the Estates Department. Grants are funded from free reserves and income during the year. During the year the Charity's unrestricted reserve fund increased by £73k from £447k to £520k.

FUTURE DEVELOPMENTS

After a number of years of significant expenditure on properties that the Fund can support, there are a number of years ahead where expenditure on relevant buildings is not expected to be incurred. The Trustees will continue to consider any suitable projects that may arise in the coming years that are not currently reflected in the Inn's 10-year estate management plan.

INVESTMENT POWERS AND POLICY

In accordance with their powers under the Trust Deed, the Trustees have delegated the day-to-day management of the portfolio and the investment powers to the Lincoln's Inn Investment Committee. LGIM's purpose is to create a better future through responsible investing. Aligned to this purpose, ESG is a central underpinning to all of LGIM's activities and especially within strategic initiatives. LGIM has developed and publicly disclosed its policies for stewardship activities. Their policies are reviewed annually and updated where necessary to ensure they remain aligned with the various evolving regulations, best practice and client feedback.

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

INVESTMENT PERFORMANCE

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

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

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

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

FUNDS
The expendable endowment fund was created by gifts a number of years ago. The income of this trust is treated as unrestricted income. The terms of the endowment allow the capital of the fund to be spent if the Trustees so determine. In the opinion of the Trustees the Charity's assets are sufficient to meet its commitments.

TRUSTEES' TRAINING AND REMUNERATION
Appropriate induction and training procedures are made available to new Trustees. Consideration is given to the skills required and taking into account the fact that all the appointed Trustees are experienced lawyers.

The Charity has no employees and the Trustees do not receive remuneration for their services.

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

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 Charity's financial activities during the year and of its financial position at the end of the year. In preparing accounts giving a true and fair view, the Trustees should follow best practice and:

i) select suitable accounting policies and apply them consistently.

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

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

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

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

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

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

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

Approved by the Trustees on:

and signed on their behalf by:

David Richards

The Rt. Hon Lord Richards of Camberwell
Chair of the Trustees

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

OPINION

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

In our opinion, the financial statements:

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

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

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

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

RESPONSIBILITIES OF TRUSTEES FOR THE FINANCIAL STATEMENTS

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to management override of controls. Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud.
- Evaluating management's controls designed to prevent and detect irregularities.
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

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

22/08/24

Haysmacintyre LLP
Statutory Auditors

Haysmacintyre LL

10 Queen Street Place
London
EC4R 1AG

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

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

	Restricted Funds	Unrestricted Funds	Expendable Endowment Funds	Total 2023	2022
	£	£	£	£	£
Income:					
Donations & legacies & gift aid	-	22,283	-	22,283	28,817
Investment Income	-	36,778	-	36,778	54,522
Interest Receivable	-	2,315	-	2,315	253
Total Income	-	61,376	-	61,376	83,592
Expenditure:					
Maintenance and Improvements to Heritage Property					
Management & Administration		(420)	-	(420)	(425)
Chapel and Library refurbishment project expenditure		-	-	-	(1,000,000)
Total Expenditure	-	(420)	-	(420)	(1,000,425)
Net gain/(loss) on investments	194	12,597	57,828	70,619	(223,067)
NET MOVEMENT IN FUNDS	194	73,553	57,828	131,575	(1,139,900)
Fund balances brought forward at 1 January	4,609	446,765	1,378,286	1,829,660	2,969,560
Fund balances carried forward at 31 December	4,803	520,318	1,436,114	1,961,235	1,829,660

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

The comparative figures relate to unrestricted funds loss of £21k and a loss of £202k for Endowment Funds.

The notes on pages 13 to 16 form part of these financial statements

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

	Note	2023 £	2022 £
FIXED ASSETS			
Investments	4	1,790,067	1,683,139
CURRENT ASSETS			
Debtors - Gift Aid Recoverable		8,482	5,667
Other Debtors - Legal & General	6	-	-
Cash at bank		154,974	182,087
TOTAL CURRENT ASSETS		163,456	187,754
CURRENT LIABILITIES			
Amounts due to Lincoln's Inn		(7,772)	41,173
Creditors	7	60	60
		(7,712)	41,233
NET CURRENT ASSETS		171,168	146,521
NET ASSETS		1,961,235	1,829,660
FUNDS			
Unrestricted	5	520,318	446,765
Expendable Endowment	5	1,436,114	1,378,286
Restricted		4,803	4,609
		1,961,235	1,829,660

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

David Richards

The Rt. Hon Lord Richards of Camberwell
Chair of the Trustees

The notes on pages 13 to 16 form part of these financial statements

ACCOUNTING POLICIES

1. Accounting Policies

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

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

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

- For legacies, entitlement is taken as the earlier of the date on which either:
- The charity is aware that probate has been granted.
- The estate has been finalised and notification had been made by the executor(s) to the Trust that a distribution will be made.
- When a distribution is received from the estate.

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

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

4. Expenditure

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

Charitable expenditure comprises expenditure directly relating to the preservation, repair and maintenance of Heritage Property and land and buildings which are situated in Lincoln's Inn and whose upkeep is for the time being charitable.

5. The Funds of the Charity Comprise:

The expendable endowment fund was created by gifts a number of years ago. The income of this trust is treated as unrestricted income. The terms of the endowment allow the capital of the fund to be spent if the Trustees so determine.

6. Investments

Investments are stated at mid-market value at the balance sheet date. The SOFA includes the net gains and losses arising on revaluation and disposals throughout the year.

2. GOVERNANCE

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

3. TRANSACTIONS WITH TRUSTEES

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

4. INVESTMENTS

	2023 £	2022 £
Market value 1 January	1,683,139	2,852,568
Additions at cost	731,976	534,714
Proceeds of disposals	(695,667)	(1,481,076)
	1,719,488	1,906,206
Realised and Unrealised gains/(losses)	70,619	(223,066)
	70,619	(223,206)
Market value 31 December	1,790,067	1,638,139
Historical cost 31 December	310,436	279,725

Indirect transaction costs are incurred through the bid-offer spread on investments within pooled.

THE HONOURABLE SOCIETY OF LINCOLN'S INN
THE HERITAGE FUND
NOTES TO THE ACCOUNTS (Cont...)
FOR THE YEAR ENDED 31 DECEMBER 2023

Significant investment holdings based at market value at 31 December

	2023		2022	
	%	£	%	£
L&G Equitrack Fund	0.00	-	27.37	460,681
L&G International Index Trust	45.49	814,260	34.71	584,285
L&G Emerging Markets	13.23	236,805	8.72	146.740
L&G UK Index Trust	25.69	459,817	0.00	-
Ruffers Global Fund	25.69	459,817	29.2	491.433
	100	1,790.067	100	1,683,139

5. ANALYSIS OF NET ASSETS BY FUND

2023	Restricted Funds	Unrestricted Funds	Expendable Endowment	Total
		£	£	£
Fixed asset investments	-	353,953	1,436,114	1,790,067
Net current assets	4,803	166,365	-	171,168
Total	4,803	520,318	1,436,114	1,961,235

2022	Restricted Funds	Unrestricted Funds	Expendable Endowment	Total
		£	£	£
Fixed asset investments	-	304,853	1,378,286	1,683,139
Net current assets	4,609	141,912	-	146,521
Total	4,609	**446,765**	**1,378,286**	**2,969,560**

6. DEBTORS

	2023	2022
	£	£
Accrued income	-	-

7. CREDITORS

	2023	2022
	£	£
Other creditors	60	60

8. RELATED PARTY TRANSACTIONS

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

The fund was established by members or former members of The Honourable Society of Lincoln's Inn and as laid out in its objectives when vacancies arise in the body of Trustees the Council of Benchers of The Honourable Society of Lincoln's Inn hold the power to appoint replacements. The Trustees are autonomous. All the expenditure incurred by them in support of projects concerning the Heritage Property is initially incurred by Lincoln's Inn which is then reimbursed by the Trustees. The balance of the intercompany account is now £8k and will be transferred to the Inn during 2024.

9. FINANCIAL INSTRUMENTS

	2023 £	2022 £
Financial assets at fair value through SOFA	1,790,067	1,683,139
Financial liabilities at amortised cost	(7,712)	41,233
Financial asset at fair value comprise investments in shares	-	-

Financial liabilities at amortised cost comprise sundry creditors and intercompany balances.

Accounts

CHARITY REGISTRATION 293662

THE HONOURABLE SOCIETY OF LINCOLN'S INN
THE HERITAGE FUND
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

THE HONOURABLE SOCIETY OF LINCOLN'S INN
THE HERITAGE FUND 31 DECEMBER 2022

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

CHARITY REGISTRATION NUMBER:	293662
PRINCIPAL ADDRESS:	The Honourable Society of Lincoln's Inn Treasury Office Lincoln's Inn London WC2A 3TL
NAMES OF CHARITY TRUSTEES:	Mr R F D Barlow KC (Chairman) Mr P L O Leaver KC The Rt. Hon Sir David Richards Mr Mark Studer
BANKERS:	C. HOARE & Co 37 Fleet Street London EC4P 4DQ
AUDITORS:	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
INVESTMENT MANAGERS:	Legal & General Group Plc Legal & General Investment Management One Coleman Street London EC2R 5AA

THE HONOURABLE SOCIETY OF LINCOLN'S INN
THE HERITAGE FUND
REPORT OF THE TRUSTEES (Cont...)
FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees present their annual report and the audited financial statements for the year ended 31 December 2022. The financial statements have been prepared on the accounting policies set out on pages 11 to 12 of the financial statements and comply with the Charity's trust deed, applicable law and the requirements of the 'Statement of Recommended Practice, Accounting and Reporting by Charities' issued in October 2019.

OBJECTS, OBJECTIVES AND PRINCIPAL ACTIVITIES

The Charity is governed by its Trust Deed. The purpose of the Charity is to use the whole or any part of its fund towards maintenance, improvement, repair, embellishment, upkeep or preservation of the Heritage Property or part thereof of the Honourable Society of Lincoln's Inn.

ACHIEVEMENTS

In 2022 the Heritage Fund has supported two projects. Disinvesting a total of £1m to contribute £250k towards the Chapel works and £750k towards the library refurbishment.

PERFORMANCE OF FUND

Covenants, donations and legacies received during the year ended 31 December 2022 amounted to £29k (2021: £37k).

Investment income received during 2022 was £55k (2021: £54k).

Investments this year have achieved a loss of £223k (2021: gain of £318k). Investments are shown on the Balance Sheet at market value in accordance with charity accounting rules.

The Net Assets of the Fund decreased from £2,969k to £1,829k.

FUNDRAISING

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

GRANT MAKING POLICY

The Heritage Fund Trustees receive funding requests from the various Committees of the Inn, for their consideration. Projects considered are for those that have been approved by the Council of Lincoln's Inn or by the Finance & General Purposes Committee of Lincoln's Inn. The Heritage Fund Trustees may offer to fund either all or part of the proposed project. Expenditure not met by the Heritage Fund on an approved project is met by The Honourable Society of Lincoln's Inn itself.

In making a grant the Heritage Fund Trustees expect the responsible Committee to supervise the spending of the monies granted. The Heritage Fund Trustees are not themselves in a position to do so. Lincoln's Inn pays the contractor in question on production of properly authorised and relevant invoices. Expenditure by Lincoln's Inn is controlled and managed by its various officers and monitored by the Finance & General Purposes Committee. Once the project is in progress and the costs of the project are being met, the Inn request's part or all of the promised grant, to the value of its already expended funds.

RESERVES POLICY

The Trustees have reviewed the reserves of the Charity, which comprises of £447k unrestricted and £1,378k of expendable endowed reserves. The Trustees felt it important to maintain the expendable endowment at present as the investment in stocks and shares is the only significant source of income the fund receives. The Trustees have agreed to retain a buffer of circa £1.5m in total reserves in case of emergency calls due to the age and nature of the buildings supported by the Charity.

This review encompassed the nature of the income and expenditure streams, the need to match variable income with anticipated donations to Lincoln's Inn and the nature of the reserves. Reserves are held in anticipation of the future needs of the Inn for its heritage buildings identified from and in accordance with the Inn's 10-year estate maintenance plan produced by the Estates Department. Grants are funded from free reserves and income during the year. During the year the Charity's unrestricted reserve fund increased by £63k from £384k to £447k.

FUTURE DEVELOPMENTS

After a number of years of significant expenditure on properties that the Fund can support, there are a number of years ahead where expenditure on relevant buildings is not expected to be incurred. The Trustees will continue to consider any suitable projects that may arise in the coming years that are not currently reflected in the Inn's 10-year estate management plan.

INVESTMENT POWERS AND POLICY

In accordance with their powers under the Trust Deed, the Trustees have delegated the day to day management of the portfolio and the investment powers to the Lincoln's Inn Investment Committee. LGIM's purpose is to create a better future through responsible investing. Aligned to this purpose, ESG is a central underpinning to all of LGIM's activities and especially within strategic initiatives. LGIM has developed and publicly disclosed its policies for stewardship activities. Their policies are reviewed annually and updated where necessary to ensure they remain aligned with the various evolving regulations, best practice and client feedback.

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

INVESTMENT PERFORMANCE

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

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

LEGAL & GENERAL'S INVESTMENT MANDATE

Legal & General manage the Scheme's assets on a passive basis in their pooled index funds. The distribution of the Scheme's assets is to be maintained in the prescribed proportions.

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

RUFFER'S MANDATE

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

FUNDS

The expendable endowment fund was created by gifts a number of years ago. The income of this trust is treated as unrestricted income. The terms of the endowment allow the capital of the fund to be spent if the Trustees so determine. In the opinion of the Trustees the Charity's assets are sufficient to meet its commitments.

TRUSTEES' TRAINING AND REMUNERATION

New Trustees receive appropriate induction and training procedures. Consideration is given to the skills required and taking into account the fact that all the appointed Trustees are experienced lawyers.

The Charity has no employees and the Trustees do not receive remuneration for their services.

TRUSTEES' RESPONSIBILITIES

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

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 Charity's financial activities during the year and of its financial position at the end of the year. In preparing accounts giving a true and fair view, the Trustees should follow best practice and:

i) select suitable accounting policies and apply them consistently.

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

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

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

THE HONOURABLE SOCIETY OF LINCOLN'S INN
THE HERITAGE FUND
REPORT OF THE TRUSTEES (Cont...)
FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

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

Approved by the Trustees on:

and signed on their behalf by:

Francis Barlow

7 August 2023.

Mr Francis Barlow KC
Chairman of the Trustees

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

OPINION

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

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2022 and of the Charity's net movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

RESPONSIBILITIES OF TRUSTEES FOR THE FINANCIAL STATEMENTS

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to management override of controls. Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;

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

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

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

Haysmacintyre LLP

Haysmacintyre LLP
Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

07/11/23

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

THE HONOURABLE SOCIETY OF LINCOLN'S INN
THE HERITAGE FUND
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2022

	Restricted Funds	Unrestricted Funds	Expendable Endowment Funds	Total 2022	2021
	£	£	£	£	£
Income:					
Donations & legacies & gift aid	-	28,817	-	28,817	37,143
Investment Income	-	54,522	-	54,522	54,437
Interest Receivable	-	253	-	253	-
Total Income	-	83,592	-	83,592	91,580
Expenditure:					
Maintenance and Improvements to Heritage Property					
Management & Administration		(425)	-	(425)	(428)
Chapel and Library refurbishment project expenditure		-	(1,000,000)	(1,000,000)	(9,487)
Total Expenditure	-	(425)	(1,000,000)	(1,000,425)	(9,915)
Net gain/(loss) on investments	(391)	(20,920)	(201,756)	(223,067)	318,570
NET MOVEMENT IN FUNDS	(391)	62,247	(1,201,756)	(1,139,900)	400,235
Fund balances brought forward at 1 January	5,000	384,518	2,580,042	2,969,560	2,569,325
Fund balances carried forward at 31 December	4,609	446,765	1,378,286	1,829,660	2,969,560

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

The comparative figures relate to unrestricted funds gain of £30k and a gain of £289k for Endowment Funds.

The notes on pages 13 to 16 form part of these financial statements

THE HONOURABLE SOCIETY OF LINCOLN'S INN
THE HERITAGE FUND
BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
FIXED ASSETS			
Investments	4	1,683,139	2,852,568
CURRENT ASSETS			
Debtors - Gift Aid Recoverable		5,667	5,290
Other Debtors - Legal & General	6	-	2,346
Cash at bank		182,087	161,509
TOTAL CURRENT ASSETS		187,754	169,145
CURRENT LIABILITIES			
Amounts due to Lincoln's Inn		41,173	52,092
Creditors	7	60	60
		41,233	52,152
NET CURRENT ASSETS		146,521	116,993
NET ASSETS		1,829,660	2,969,560
FUNDS			
Unrestricted	5	446,765	384,518
Expendable Endowment	5	1,378,286	2,580,042
Restricted		4,609	5,000
		1,829,660	2,969,560

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

Francis Barlow 4 August 2023

Mr Francis Barlow KC
Chairman of the Trustees

The notes on pages 13 to 16 form part of these financial statements

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

ACCOUNTING POLICIES

1. **Accounting Policies**

1. Accounting Convention

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

2. Going Concern

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

3. Income

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

- For legacies, entitlement is taken as the earlier of the date on which either:
- The charity is aware that probate has been granted.
- The estate has been finalised and notification had been made by the executor(s) to the Trust that a distribution will be made.
- When a distribution is received from the estate.

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

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

THE HONOURABLE SOCIETY OF LINCOLN'S INN
THE HERITAGE FUND
NOTES TO THE ACCOUNTS (Cont...)
FOR THE YEAR ENDED 31 DECEMBER 2022

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

Charitable expenditure comprises expenditure directly relating to the preservation, repair and maintenance of Heritage Property and land and buildings which are situated in Lincoln's Inn and whose upkeep is for the time being charitable.

5. **The Funds of the Charity Comprise:**
The expendable endowment fund was created by gifts a number of years ago. The income of this trust is treated as unrestricted income. The terms of the endowment allow the capital of the fund to be spent if the Trustees so determine.

6. **Investments**
Investments are stated at mid-market value at the balance sheet date. The SOFA includes the net gains and losses arising on revaluation and disposals throughout the year.

2. GOVERNANCE

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

3. TRANSACTIONS WITH TRUSTEES

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

4. INVESTMENTS

	2022	2021
	£	£
Market value 1 January	2,852,568	2,480,262
Additions at cost	534,714	53,736
Proceeds of disposals	(1,481,076)	-
	1,906,206	2,533,998
Realised and Unrealised gains/(losses)	(223,066)	318,570
	(223,066)	318,570
Market value 31 December	1,683,139	2,852,568
Historical cost 31 December	279,725	1,226,087

Indirect transaction costs are incurred through the bid-offer spread on investments within pooled.

THE HONOURABLE SOCIETY OF LINCOLN'S INN
THE HERITAGE FUND
NOTES TO THE ACCOUNTS (Cont...)
FOR THE YEAR ENDED 31 DECEMBER 2022

Significant investment holdings based at market value at 31 December

	2022		2021	
	%	£	%	£
L&G Equitrack Fund	27.37	460,682	33.15	945,507
L&G International Index Trust	34.70	584,285	40.40	1,152,4887
L&G Fixed Interest Trust	-	-	15.83	451,685
L&G Emerging Markets	8.72	146,740	10.62	302,889
Ruffers	29.2	491,433	-	-
	71	1,683,139	100	2,852,568

5. ANALYSIS OF NET ASSETS BY FUND

2022	Restricted Funds	Unrestricted Funds £	Expendable Endowment £	Total £
Fixed asset investments	-	304,853	1,378,286	1,683,139
Net current assets	4,609	141,912	-	146,521
Total	4,609	446,765	1,378,286	1,829,660

2021	Restricted Funds	Unrestricted Funds £	Expendable Endowment £	Total £
Fixed asset investments	-	272,526	2,580,042	2,852,568
Net current assets	5,000	111,993	-	116,993
Total	5,000	**384,519**	**2,580,042**	**2,969,560**

6. DEBTORS

	2022 £	2021 £
Accrued income	-	2,346

7. CREDITORS

	2022 £	2021 £
Other creditors	60	60

8. RELATED PARTY TRANSACTIONS

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

The fund was established by members or former members of The Honourable Society of Lincoln's Inn and as laid out in its objectives when vacancies arise in the body of Trustees the Council of Benchers of The Honourable Society of Lincoln's Inn hold the power to appoint replacements. The Trustees are autonomous. All the expenditure incurred by them in support of projects concerning the Heritage Property is initially incurred by Lincoln's Inn which is then reimbursed by the Trustees. The balance of the intercompany account is now £41k and will be transferred to the Inn during 2023.

9. FINANCIAL INSTRUMENTS

	2022 £	2021 £
Financial assets at fair value through SOFA	1,683,139	2,852,568
Financial liabilities at amortised cost	41,233	52,152
Financial asset at fair value comprise investments in shares	-	-

Financial liabilities at amortised cost comprise sundry creditors and intercompany balances.

Accounts

CHARITY REGISTRATION 293662

THE HONOURABLE SOCIETY OF LINCOLN'S INN
THE HERITAGE FUND
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

THE HONOURABLE SOCIETY OF LINCOLN'S INN
THE HERITAGE FUND 31 DECEMBER 2021

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

CHARITY REGISTRATION NUMBER:	293662
PRINCIPAL ADDRESS:	The Honourable Society of Lincoln's Inn Treasury Office Lincoln's Inn London WC2A 3TL
NAMES OF CHARITY TRUSTEES: The Trustees who served during the year were:	Mr R F D Barlow QC (Chairman) Mr P L O Leaver QC The Rt. Hon Sir David Richards Mr Mark Studer
BANKERS:	C. HOARE & Co 37 Fleet Street London EC4P 4DQ
AUDITORS:	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
INVESTMENT MANAGERS:	Legal & General Group Plc Legal & General Investment Management One Coleman Street London EC2R 5AA

The Trustees present their annual report and the audited financial statements for the year ended 31 December 2021. The financial statements have been prepared on the accounting policies set out on pages 11 to 12 of the financial statements and comply with the Charity's trust deed, applicable law and the requirements of the 'Statement of Recommended Practice, Accounting and Reporting by Charities' issued in October 2019.

OBJECTS, OBJECTIVES AND PRINCIPAL ACTIVITIES

The Charity is governed by its Trust Deed. The purpose of the Charity is to use the whole or any part of its fund towards maintenance, improvement, repair, embellishment, upkeep or preservation of the Heritage Property or part thereof of the Honourable Society of Lincoln's Inn.

ACHIEVEMENTS

In 2021 the Heritage Fund continued to support the Chapel refurbishment project which was approved in 2019. The total spent in 2021 was £9,487 (2020: £10,210) (2019: £394,071). A total of £420,000 was disinvested in 2019.

PERFORMANCE OF FUND

Covenants, donations and legacies received during the year ended 31 December 2021 amounted to £37k (2020: £15.6k).

Investment income received during 2021 was £54k (2020: £49k).

Investments this year have achieved gains of £318k (2020: gain of £48k). Investments are shown on the Balance Sheet at market value in accordance with charity accounting rules.

The Net Assets of the Fund increased from £2,569k to £2,964k.

FUNDRAISING

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

GRANT MAKING POLICY

The Heritage Fund Trustees receive funding requests from the various Committees of the Inn, for their consideration. Projects considered are for those that have been approved by the Council of Lincoln's Inn or by the Finance & General Purposes Committee of Lincoln's Inn. The Heritage Fund Trustees may offer to fund either all or part of the proposed project. Expenditure not met by the Heritage Fund on an approved project is met by The Honourable Society of Lincoln's Inn itself.

In making a grant the Heritage Fund Trustees expect the responsible Committee to supervise the spending of the monies granted. The Heritage Fund Trustees are not themselves in a position to do so. Lincoln's Inn pays the contractor in question on production of properly authorised and relevant invoices. Expenditure by Lincoln's Inn is controlled and managed by its various officers and monitored by the Finance & General Purposes Committee. Once the project is in progress and the costs of the project are being met, the Inn requests part or all of the promised grant, to the value of its already expended funds.

RESERVES POLICY

The Trustees have reviewed the reserves of the Charity, which comprises of £384k unrestricted and £2,580k of expendable endowed reserves. The Trustees felt it important to maintain the expendable endowment at present as the investment in stocks and shares is the only significant source of income the fund receives. The Trustees have agreed to retain a buffer of circa £1.5m in total reserves in case of emergency calls due to the age and nature of the buildings supported by the Charity.

This review encompassed the nature of the income and expenditure streams, the need to match variable income with anticipated donations to Lincoln's Inn and the nature of the reserves. Reserves are held in anticipation of the future needs of the Inn for its heritage buildings identified from and in accordance with the Inn's 10 year estate maintenance plan produced by the Estates Department. Grants are funded from free reserves and income during the year. During the year the Charity's unrestricted reserve fund increased by £106k from £278k to £384k.

FUTURE DEVELOPMENTS

After a number of years of significant expenditure on properties that the Fund can support, there are a number of years ahead where expenditure on relevant buildings is not expected to be incurred. It is for that reason that the Trustees have agreed to fund a significant propotion, £750k, of the works associated with the Library roof and masonry repairs and replacement in 2022. This grant will be supported by the investment portfolio. The Trustees will continue to consider any suitable projects that may arise in the coming years that are not cuurently reflected in the Inn's 10 year estate management plan.

INVESTMENT POWERS AND POLICY

In accordance with their powers under the Trust Deed, the Trustees have delegated the day to day management of the portfolio and the investment powers to the Lincoln's Inn Investment Committee. LGIM's purpose is to create a better future through responsible investing. Aligned to this purpose, ESG is a central underpinning to all of LGIM's activities and especially within strategic initiatives. LGIM has developed and publicly disclosed its policies for stewardship activities. Their policies are reviewed annually and updated where necessary to ensure they remain aligned with the various evolving regulations, best practice and client feedback.

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

LEGAL & GENERAL'S INVESTMENT MANDATE

Legal & General manage the Scheme's assets on a passive basis in their pooled index funds. The distribution of the Scheme's assets is to be maintained in the prescribed proportions.

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

FUNDS

The expendable endowment fund was created by gifts a number of years ago. The income of this trust is treated as unrestricted income. The terms of the endowment allow the capital of the fund to be spent if the Trustees so determine. In the opinion of the Trustees the Charity's assets are sufficient to meet its commitments.

TRUSTEES' TRAINING AND REMUNERATION

New Trustees receive appropriate induction and training procedures. Consideration is given to the skills required and taking into account the fact that all the appointed Trustees are experienced lawyers.

The Charity has no employees and the Trustees do not receive remuneration for their services.

TRUSTEES' RESPONSIBILITIES

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

THE HONOURABLE SOCIETY OF LINCOLN'S INN
THE HERITAGE FUND
REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

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 Charity's financial activities during the year and of its financial position at the end of the year. In preparing accounts giving a true and fair view, the Trustees should follow best practice and:

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

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

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

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

Approved by the Trustees on: [date]

and signed on their behalf by:

5 June 2022

Mr Francis Barlow QC
Chairman of the Trustees

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

OPINION

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

In our opinion, the financial statements:

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

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

RESPONSIBILITIES OF TRUSTEES FOR THE FINANCIAL STATEMENTS

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to management override of controls. Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions;

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

USE OF REPORT

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

Haysamcintyre LLP

Haysmacintyre LLP
Statutory Auditors
28 July 2022

10 Queen Street Place
London
EC4R 1AG

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

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

	Restricted Funds	Unrestricted Funds	Expendable Endowment Funds	Total 2021	Total 2020
	£	£	£	£	£
Income:					
Donations & legacies	5,000	32,143	-	37,143	15,669
Investment Income		54,437	-	54,437	49,491
Total Income	5,000	86,581	-	91,581	65,160
Expenditure:					
Maintenance and Improvements to Heritage Property					
Management & Administration		(428)	-	(428)	(240)
Chapel refurbishment project expenditure		(9,487)	-	(9,487)	(10,210)
Total Expenditure	0	(9,915)	-	(9,915)	(10,450)
Net gain/(loss) on investments		30,056	288,514	318,570	48,022
NET MOVEMENT IN FUNDS	5,000	106,721	288,514	400,235	102,732
Fund balances brought forward at 1 January		277,797	2,291,528	2,569,325	2,466,593
Fund balances carried forward at 31 December	5,000	384,518	2,580,042	2,969,560	2,569,325

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

The comparative figures relate to unrestricted funds gain of £3k and a gain of £45k for Endowment Funds.

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

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

	Note	2021 £	2020 £
FIXED ASSETS			
Investments	4	2,852,568	2,480,261
CURRENT ASSETS			
Debtors - Gift Aid Recoverable		5,290	2,733
Other Debtors - Legal & General	6	2,346	1,645
Cash at bank		161,509	129,952
TOTAL CURRENT ASSETS		169,145	134,330
CURRENT LIABILITIES			
Amounts due to Lincoln's Inn		52,092	45,206
Creditors	7	60	60
		52,152	45,266
NET CURRENT ASSETS		116,993	89,064
NET ASSETS		2,969,560	2,569,325
FUNDS			
Unrestricted	5	384,518	277,797
Expendable Endowment	5	2,580,042	2,291,528
Restricted		5,000	
		2,969,560	2,569,325

Approved by the Trustees on: [DATE]
and signed on their behalf by:

Francis Barlow 5 June 2022

Mr Francis Barlow QC
Chairman of the Trustees

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

THE HONOURABLE SOCIETY OF LINCOLN'S INN
THE HERITAGE FUND
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021

ACCOUNTING POLICIES

1. **Accounting Policies**

a) Accounting Convention

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

b) Going Concern

The Trustees have considered the impact on the Fund of the COVID 19 pandemic and during the course of preparing the financial statements the Trustees have considered various future scenarios and their impact and are confident that the Fund will have sufficient resources to meet its liabilities for at least 12 months from the date of signing this report and as such the accounts have been prepared on a going concern basis.

c) Income

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

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

- The charity is aware that probate has been granted.
- The estate has been finalised and notification had been made by the executor(s) to the Trust that a distribution will be made.
- When a distribution is received from the estate.

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

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

d) Expenditure

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

Charitable expenditure comprises expenditure directly relating to the preservation, repair and maintenance of Heritage Property and land and buildings which are situated in Lincoln's Inn and whose upkeep is for the time being charitable.

e) The Funds of the Charity Comprise:

The expendable endowment fund was created by gifts a number of years ago. The income of this trust is treated as unrestricted income. The terms of the endowment allow the capital of the fund to be spent if the Trustees so determine.

f) Investments

Investments are stated at mid-market value at the balance sheet date. The SOFA includes the net gains and losses arising on revaluation and disposals throughout the year.

2. **GOVERNANCE**

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

3. **TRANSACTIONS WITH TRUSTEES**

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

4. **INVESTMENTS**

	2021	2020
	£	£
Market value 1 January	2,480,262	2,382,701
Additions at cost	53,736	49,538
Proceeds of disposals		
	2,533,998	2,432,239
Realised and Unrealised gains/(losses)	318,570	48,022
Net investment gain/(loss)	318,570	48,022
Market value 31 December	2,852,568	2,480,261
Historical cost 31 December	1,226,087	1,172,351

Indirect transaction costs are incurred through the bid-offer spread on investments within pooled.

Significant investment holdings based at market value at 31 December

	2021		2020	
	%	£	%	£
L&G Equitrack Fund	33.15	945,507	32.86	815,041
L&G International Index Trust	40.39	1,152,487	46.53	1,154,158
L&G Fixed Interest Trust	15.83	451,685	12.10	300,105
L&G Emerging Markets	10.62	302,889	8.51	210,957
	100	2,852,568	100	2,480,261

THE HONOURABLE SOCIETY OF LINCOLN'S INN
THE HERITAGE FUND
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

5. **ANALYSIS OF NET ASSETS BY FUND**

2021	Restricted Funds	Unrestricted Funds	Expendable Endowment	Total
		£	£	£
Fixed asset investments		272,526	2,580,042	2,852,568
Net current assets	5,000	111,993	-	116,993
Total	5,000	384,518	2,580,042	2,969,560

2020	Unrestricted Funds	Expendable Endowment	Total
	£	£	£
Fixed asset investments	188,733	2,291,528	2,480,261
Net current assets	89,064	-	89,064
Total	**277,797**	**2,291,528**	**2,569,325**

6. **DEBTORS**

	2021	2020
	£	£
Accrued income	2,346	1,645

7. **CREDITORS**

	2021	2020
	£	£
Other creditors	60	60

8. **RELATED PARTY TRANSACTIONS**

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

The fund was established by members or former members of The Honourable Society of Lincoln's Inn and as laid out in its objectives when vacancies arise in the body of Trustees the Council of Benchers of The Honourable Society of Lincoln's Inn hold the power to appoint replacements. The Trustees are autonomous. All the expenditure incurred by them in support of projects concerning the Heritage Property is initially incurred by Lincoln's Inn which is then reimbursed by the Trustees. During 2021 the Inn paid £10k of the invoices received for the 2019 refurbishment project which is now complete. The balance of the intercompany account is now £52k and will be transferred to the Inn during 2022.

9. **FINANCIAL INSTRUMENTS**

	2021	2020
	£	£
Financial assets at fair value through SOFA	2,852,568	2,840,261
Financial liabilities at amortised cost	52,152	45,266

Financial asset at fair value comprise investments in shares

Financial liabilities at amortised cost comprise sundry creditors and intercompany balances.

10. **POST BALANCE SHEET EVENT**

During 2020 the Trustees agreed to support £500k towards the Chapel refurbishment expenditure. This did not happen as consideration was given to funding a grant towards the works started in 2021 on the Library and Great Hall complex. Since the year end the Trustees have agreed to fund £250k towards the continued works on the Chapel along with a grant of £750k towards the works underway on the Library building. This decision was made in February 2022 and funds will be transferd in the coming year.

THE LINCOLN'S INN HERITAGE FUND

England & Wales - Charity number 293662

Accounts

CHARITY REGISTRATION 293662

THE HONOURABLE SOCIETY OF LINCOLN'S INN
THE HERITAGE FUND
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

INDEX

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

CHARITY REGISTRATION NUMBER:	293662
PRINCIPAL ADDRESS:	The Honourable Society of Lincoln's Inn Treasury Office Lincoln's Inn London WC2A 3TL
NAMES OF CHARITY TRUSTEES: The Trustees who served during the year were:	Mr R F D Barlow QC (Chairman) Mr P L O Leaver QC The Rt. Hon Lord Justice David Richards Mr Mark Studer
BANKERS:	C. HOARE & Co 37 Fleet Street London EC4P 4DQ
AUDITORS:	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
INVESTMENT MANAGERS:	Legal & General Group Plc Legal & General Investment Management One Coleman Street London EC2R 5AA

The Trustees present their annual report and the audited financial statements for the year ended 31 December 2020. The financial statements have been prepared on the accounting policies set out on pages 11 to 12 of the financial statements and comply with the Charity's trust deed, applicable law and the requirements of the 'Statement of Recommended Practice, Accounting and Reporting by Charities' issued in October 2019.

OBJECTS, OBJECTIVES AND PRINCIPAL ACTIVITIES

The Charity is governed by its Trust Deed. The purpose of the Charity is to use the whole or any part of its fund towards maintenance, improvement, repair, embellishment, upkeep or preservation of the Heritage Property or part thereof of the Honourable Society of Lincoln's Inn.

ACHIEVEMENTS

In 2020 the Heritage Fund continued to support the Chapel refurbishment project which was approved in 2019. The total spent in 2020 was £10,210 (2019: £394,071). A total of £420,000 was disinvested in 2019.

PERFORMANCE OF FUND

Covenants, donations and legacies received during the year ended 31 December 2020 amounted to £15.6k (2019: £6k).

Investment income received during 2020 was £49k (2019: £70k).

Investments this year have incurred gains of £48k (2019: gain of £376k). Investments are shown on the Balance Sheet at market value in accordance with charity accounting rules.

The Net Assets of the Fund increased from £2,467k to £2,569k.

FUNDRAISING

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

GRANT MAKING POLICY

The Heritage Fund Trustees receive funding requests from the various Committees of the Inn, for their consideration. Projects considered are for those that have been approved by the Council of Lincoln's Inn or by the Finance & General Purposes Committee of Lincoln's Inn. The Heritage Fund Trustees may offer to fund either all of part of the proposed project. Expenditure not met by the Heritage Fund on an approved project is met by The Honourable Society of Lincoln's Inn itself.

In making a grant the Heritage Fund Trustees expect the responsible Committee to supervise the spending of the monies granted. The Heritage Fund Trustees are not themselves in a position to do so. Lincoln's Inn pays the contractor in question on production of properly authorised and relevant invoices. Expenditure by Lincoln's Inn is controlled and managed by its various officers and monitored by the Finance & General Purposes Committee. Once the project is in progress and the costs of the project are being met, the Inn requests part or all of the promised grant, to the value of its already expended funds.

RESERVES POLICY

The Trustees have reviewed the reserves of the Charity, which comprises of £275k unrestricted and £2,294k of expendable endowed reserves. The Trustees felt it important to maintain the expendable endowment at present as the investment in stocks and shares is the only significant source of income the fund receives. The Trustees have agreed to retain a buffer of circa £1m in total reserves in case of emergency calls due to the age and nature of the buildings supported by the Charity.

This review encompassed the nature of the income and expenditure streams, the need to match variable income with anticipated donations to Lincoln's Inn and the nature of the reserves. Reserves are held in anticipation of the future needs of the Inn for its heritage buildings identified from and in accordance with a 4 year project schedule produced by the Estates Department. The schedule has identified significant levels of expenditure in the coming years. Grants are funded from free reserves and income during the year. During the year the Charity's unrestricted reserve fund increased by £58k from £220k to £278k.

FUTURE DEVELOPMENTS

The Estates Committee has been developing a 15 year strategy plan for large projects. During 2020 a Chapel refurbishment project was approved for a total of £756k where the works will commence in 2021. The Heritage Fund has agreed to contribute £500k towards this project from the investment portfolio. The Trustees have also indicated a continued commitment to cover the costs of maintaining the heraldry collection in the Chapel and the commissioning of Treasurers' arms.

INVESTMENT POWERS AND POLICY

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

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

LEGAL & GENERAL'S INVESTMENT MANDATE

Legal & General manage the Scheme's assets on a passive basis in their pooled index funds. The distribution of the Scheme's assets is to be maintained in the prescribed proportions.

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

FUNDS

The expendable endowment fund was created by gifts a number of years ago. The income of this trust is treated as unrestricted income. The terms of the endowment allow the capital of the fund to be spent if the Trustees so determine. In the opinion of the Trustees the Charity's assets are sufficient to meet its commitments.

TRUSTEES' TRAINING AND REMUNERATION

New Trustees receive appropriate induction and training procedures. Consideration is given to the skills required and taking into account the fact that all the appointed Trustees are experienced lawyers.

The Charity has no employees and the Trustees do not receive remuneration for their services.

TRUSTEES' RESPONSIBILITIES

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

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

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 Charity's financial activities during the year and of its financial position at the end of the year. In preparing accounts giving a true and fair view, the Trustees should follow best practice and:

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

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

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

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

Approved by the Trustees on: [date]

and signed on their behalf by:

Francis Barlow   10 June 2021

Mr Francis Barlow QC
Chairman of the Trustees

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

OPINION

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

In our opinion, the financial statements:

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

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

RESPONSIBILITIES OF TRUSTEES FOR THE FINANCIAL STATEMENTS

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to management override of controls. Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions;

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

USE OF REPORT

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

Haysmacintyre LLP

Haysmacintyre LLP
Statutory Auditors
[date] 20 July 2021

10 Queen Street Place
London
EC4R 1AG

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

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

	Unrestricted Funds	Expendable Endowment Funds	Total 2020	Total 2019
	£	£	£	£
Income From:				
Covenants, donations & legacies	15,669	-	15,669	6,156
Investment Income	49,491	-	49,491	70,072
Total Income	65,160	-	65,160	76,228
Income Expenditure on:				
Maintenance and Improvements to Heritage Property				
Management & Administration	(240)	-	(240)	(60)
Chapel Lighting project expenditure	0	-	-	(5,287)
Chapel refurbishment project expenditure	(10,210)	-	(10,210)	(394,071)
Total Expenditure	(10,450)	-	(10,450)	(399,418)
Net gain/(loss) on investments	2,750	45,272	48,022	375,682
NET MOVEMENT IN FUNDS	57,459	45,272	102,731	52,492
Fund balances brought forward at 1 January	220,337	2,246,256	2,466,593	2,414,101
Fund balances carried forward at 31 December	277,796	2,291,528	2,569,324	2,466,593

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

The comparative figures relate to unrestricted funds apart from the loss on investments which relates to expendable endowed funds.

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

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

	Note	2020 £	2019 £
FIXED ASSETS			
Investments	4	2,480,261	2,382,701
CURRENT ASSETS			
Amounts due from Lincoln's Inn		-	-
Debtors - Gift Aid Recoverable		2,733	420
Other Debtors - Legal & General	6	1,645	1,692
Cash at bank		129,952	118,792
TOTAL CURRENT ASSETS		134,330	120,904
CURRENT LIABILITIES			
Amounts due to Lincoln's Inn		45,206	36,952
Creditors	7	60	60
		45,266	37,012
NET CURRENT ASSETS		89,064	83,892
NET ASSETS		2,569,325	2,466,593
FUNDS			
Unrestricted	5	277,796	220,337
Expendable Endowment	5	2,291,528	2,246,256
		2,569,324	2,466,593

Approved by the Trustees on: [DATE]
and signed on their behalf by:

10 June 2021

Mr Francis Barlow QC
Chairman of the Trustees

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

ACCOUNTING POLICIES

1. Accounting Policies

a) Accounting Convention

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

b) Going Concern

The Trustees have considered the impact on the Fund of the COVID 19 pandemic and during the course of preparing the financial statements the Trustees have considered various future scenarios and their impact and are confident that the Fund will have sufficient resources to meet its liabilities for at least 12 months from the date of signing this report and as such the accounts have been prepared on a going concern basis.

c) Income

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

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

- The charity is aware that probate has been granted.
- The estate has been finalised and notification had been made by the executor(s) to the Trust that a distribution will be made.
- When a distribution is received from the estate.

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

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

d) Expenditure

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

Charitable expenditure comprises expenditure directly relating to the preservation, repair and maintenance of Heritage Property and land and buildings which are situated in Lincoln's Inn and whose upkeep is for the time being charitable.

e) The Funds of the Charity Comprise:

The expendable endowment fund was created by gifts a number of years ago. The income of this trust is treated as unrestricted income. The terms of the endowment allow the capital of the fund to be spent if the Trustees so determine.

f) Investments

Investments are stated at mid-market value at the balance sheet date. The SOFA includes the net gains and losses arising on revaluation and disposals throughout the year.

2. GOVERNANCE

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

3. TRANSACTIONS WITH TRUSTEES

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

4. INVESTMENTS

	2020	2019
	£	£
Market value 1 January	2,382,701	2,356,535
Additions at cost	49,538	70,484
Proceeds of disposals		(420,000)
	2,432,239	2,007,019
Realised and Unrealised gains/(losses)	48,022	375,682
Net investment gain/(loss)	48,022	375,682
Market value 31 December	2,480,261	2,382,701
Historical cost 31 December	1,172,351	1,122,812

Indirect transaction costs are incurred through the bid-offer spread on investments within pooled.

Significant investment holdings based at market value at 31 December

	2020		2019	
	%	£	%	£
L&G Equitrack Fund	32.86	815,041	37.78	900,146
L&G International Index Trust	46.52	1,154,158	42.75	1,018,751
L&G Fixed Interest Trust	12.10	300,105	11.49	273,750
L&G Emerging Markets	8.51	210,957	7.98	190,054
	100	2,480,261	100	2,382,701

5. **ANALYSIS OF NET ASSETS BY FUND**

2020	Unrestricted Funds	Expendable Endowment	Total
	£	£	£
Fixed asset investments	188,733	2,291,528	2,480,261
Net current assets	89,064	-	89,064
Total	277,796	2,291,528	2,569,324

2019	Unrestricted Funds	Expendable Endowment	Total
	£	£	£
Fixed asset investments	136,445	2,246,256	2,382,701
Net current assets	83,892	-	83,892
Total	**220,337**	**2,246,256**	**2,466,593**

6. **DEBTORS**

	2020	2019
	£	£
Accrued income	1,645	1,692

7. **CREDITORS**

	2020	2019
	£	£
Other creditors	60	60

8. **RELATED PARTY TRANSACTIONS**

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

The fund was established by members or former members of The Honourable Society of Lincoln's Inn and as laid out in its objectives when vacancies arise in the body of Trustees the Council of Benchers of The Honourable Society of Lincoln's Inn hold the power to appoint replacements. The Trustees are autonomous. All the expenditure incurred by them in support of projects concerning the Heritage Property is initially incurred by Lincoln's Inn which is then reimbursed by the Trustees. During 2020 the Inn paid £10k of the invoices received for the 2019 refurbishment project which is now complete. The balance of the intercompany account is now £45k and will be transferred to the Inn during 2021.

9. **FINANCIAL INSTRUMENTS**

	2020	2019
	£	£
Financial assets at fair value through SOFA	2,480,261	2,382,701
Financial liabilities at amortised cost	45,206	36,952

Financial asset at fair value comprise investments in shares

Financial assets at amortised cost comprise sundry creditors and intercompany balances.

10. **CAPITAL COMMITMENT NOTE**

During 2020 the Heritage fund commiteed to £500k expenditure for a Chapel refurbishment works project where the total cost of the project is £756k. The works commenced in February 2021.