

THE GRAY'S INN SCHOLARSHIPS TRUST

England & Wales · Charity number 313604

Details

Status Registered

Legal form Other

Registered 1972-01-17

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

Contact

Address The Hon Society Of Gray's Inn
Treasury Office
8 South Square
Gray's Inn
London
WC1R 5ET

Phone 020 7458 7803

Email clare.johns@graysinn.org.uk

Website www.graysinn.org.uk

Activities

Objects: IN OR TOWARDS THE ADVANCEMENT OF THE EDUCATION IN THE LAW OF STUDENTS AND MEMBERS OF GRAY'S INN.

Activities: The advancement of education in the law for students and members of Gray's Inn by the awarding of scholarships to all with ability.

Classification

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

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£429,980	£869,174	-	-
2023-12-31	£739,066	£1,348,743	£18,301,877	0
2022-12-31	£2,213,092	£1,271,081	£17,853,516	0
2021-12-31	£497,736	£1,252,069	-	-
2020-12-31	£397,832	£1,234,972	-	-

Trustees

Name	Role	Appointed
David John Forsdick KC		2023-01-01
Rebecca Sabben-Clare KC		2024-01-01
Thomas Weitzman KC		2025-05-01

Linked charities

- GRAHAM CHALLIS SCHOLARSHIP FUND (313604-1)
- THE GRAY'S INN SCHOLARS FUND (313604-2)
- JOHN G C PHILLIPS Q C FUND (313604-3)
- HEBE PLUNKETT FUND (313604-4)
- KIAMRAN HALIL PRIZE FUND (313604-5)

THE GRAY'S INN SCHOLARSHIPS TRUST

England & Wales - Charity number 313604

Accounts

**THE GRAY'S INN
SCHOLARSHIPS TRUST**

**Financial Statements
for the year to
31 December 2024**

Registered Charity No. 313604

**THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2024**

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**THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2024**

Trustees' Report

Reference and Administrative Details, Trustees and Advisers

TRUSTEES

Timothy Corner KC (retired 30.4.2025)
David Forsdick KC
Rebecca Sabben-Clare KC
Thomas Weitzman (appointed 01.05.2025)

PRINCIPAL OFFICE

8 South Square
Gray's Inn
London WC1R 5ET

CHARITY REGISTRATION NO.

313604

GOVERNING INSTRUMENT

Charity Commission Scheme dated 2nd May 1995

AUDITORS

HaysMac LLP
10 Queen Street Place
London EC4R 1AG

SOLICITORS

Hunters
9 New Square
Lincoln's Inn
London WC2A 3QN

PRINCIPAL BANKERS

C Hoare & Co
37 Fleet Street
London EC4P 4DQ

INVESTMENT MANAGERS

Willis Towers Watson
MidCity Place
71 High Holborn
London WC1V 6TP

CCLA Investment Management
Senator House
85 Queen Victoria Street
London EC4V 4ET

SENIOR MANAGEMENT TEAM

Chief Executive: Stephen Cartwright
Director of Finance: Clare Johns

**THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2024**

Trustees' Report (Continued)

Structure, Governance and Management

The Gray's Inn Scholarships Trust ("the Trust") is a Charitable Trust registered with the Charity Commission. Trustees who acted throughout the year are disclosed on Page 3.

The Trustees are kept conversant with the law and the requirements of the Charity Commission, as required, by professional advisers.

The Trustees receive reports of the two key meetings of the Scholarships Committee. They approve the amount of money to be divided between the Graduate Diploma in Law (GDL), Bar Course and pupillage awards and they approve the list of those who should receive scholarships. The selection is undertaken by other Masters of the Bench, members of Hall and staff of The Honourable Society of Gray's Inn ("the Society").

Trustees are selected by the Management Committee of The Society and their appointments are confirmed by Pension, the ultimate policy and decision-making body of The Society. The day-to-day management of the Trust is delegated to the management staff of The Society and there are regular meetings of the Trustees.

Funds

The Hebe Plunkett Fund

The Hebe Plunkett Fund was initially registered with the Charity Commission as a separate charity but, with the approval of the Commission, it was transferred to this Trust on 31 December 2003.

The original governing document required that the income and, if considered proper by the Trustees in the light of exceptional circumstances, the capital should all be applied in advancing legal education by assisting persons with defective eyesight in the study of law in such manner as the Trustees thought fit and in particular (and without prejudice to the generality of the forgoing) by providing equipment in The Society's library.

To the extent that the income was not applied, it was to be accumulated for the 21-year period from 11 February 1989. The Trustees had discretion to spend the income so accumulated.

Following the expiry of the 21-year period of permitted accumulation on 11 February 2010, the Trustees have discretion to apply the income for such purposes of an educational nature connected with The Society to the extent that the specified original objective cannot be achieved.

The Trustees resolved at their meeting on 21 September 2010 that this fund should continue as a separate and discrete fund and the original objectives adhered to as far as possible.

The Sir Brian Smedley Fund

The income arising on the endowment is available as a scholarship open to members of The Society who are barristers of not more than one year's call, or students, and who are practising or intending to practice at the Bar of England and Wales. Preference is to be given to candidates practising or intending to practice on the Midland Circuit.

The Troy Fund (Beloff Essay Prize)

This fund is expendable, and is to be applied in funding an annual essay prize in Administrative Law for those who are applying for pupillages.

The Bingham Fund

This is shown separately in an unrestricted fund while fund raising continues. It is hoped that if the fund reaches £1,500,000, 5 scholarships of £10,000 will be awarded annually in memory of the late Lord Bingham. A Bingham scholarship was awarded in 2023.

The Charnley award

This award is made, on merit, to a high potential candidate for the Graduate Diploma in Law.

**THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2024**

Trustees' Report (Continued)

The Ann Goddard Fund

A total bequest of £1,503,833 is invested in a separate portfolio and the income arising therefrom is to be used to assist barristers during their pupillage with preference being given to those seeking to practice at the criminal bar.

Risk Review

The Trustees have assessed the major risks faced by the charity and keep them under review. All the operational activities of the Trust are undertaken by the Honourable Society of Gray's Inn and the Trustees rely on their risk control processes. Specific reference is made in these processes to the risk management requirements of the Trust. The key risks relate to the performance of the investment portfolio (see "Investment performance" in the Trustees Report for more detail), and the risk of a lack of liquidity for the payment of awards. Trustees monitor these risks regularly by receiving updates from investment managers on the performance of the portfolio, considering cash requirements as part of the annual budget process and by maintaining regular dialogue with the Society.

Objectives and Activities

The principal charitable objective of the Trust is the advancement of education in the law for students and members of the Society and this is principally achieved by way of giving a donation to The Honourable Society of Gray's Inn for its scholarships program. The Inn holds separate Scholarships interviews for those taking the Graduate Diploma in Law Course (GDL) and Bar Course exams and those seeking pupillage awards following their Call to the Bar. Details of the grant policy and the scholarships are given below.

Grant Policy

The grant policy is to identify able students and to assist them to complete their studies and to be called to the Bar. In order to attract the brightest students to The Society, the awards made must be competitive with the other Inns of Court. The Scholarships Committee considers applications from students on an annual basis. These awards are available to cover each year of a student's study – the Graduate Diploma in Law (GDL), the Bar Professional Training Course (BPTC) and during pupillage. In addition, there is a special fund within the charity, The Hebe Plunkett Fund, to provide additional assistance to handicapped students with a preference for those with a visual impairment.

This policy remains unchanged however, from 2024, payments to successful students are made directly from the Honourable Society of Gray's Inn and the Scholarship's Trust supports that programme by way of a grant to the Society. This change of process remains under review for the current time.

Public Benefit

The Trustees confirm that they have considered the Charity Commission's guidance on public benefit. The Trust's sole activity is the awarding of scholarships to students to enable them to pursue careers as barristers. This function is delegated to the Scholarships Committee which is guided by a policy document designed to achieve and to demonstrate that all awards are made on non-discriminatory bases.

Information about the scholarships is made publicly available through The Society's website and the Scholarships Handbook which is issued to all new students or those interested in becoming students of The Society. Awards are monitored to ensure that the charitable objectives of the Trust are being achieved.

The public benefit derived from the Trust's activities is two-fold. Firstly, it offers legal educational opportunities to all of ability irrespective of background, and secondly it helps to maintain the highest standards required and expected of the legal profession by members of the public.

**THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2024**

Trustees' Report (Continued)

Achievements and Performance in the year

The Scholarship Trust made a significant contribution, of £890k, to the Honourable Society of Gray's Inn scholarship programme. Awards cover all or part of tuition and living costs. This was partially offset by £33k of awards made in 2023 being written back in the accounts as they had not been taken up.

Included in the donation to the Society were funds to be used for specific awards, as required by the donors, these include the Ann Goddard, Beddingfield Trust, Beloff, Mustil and Hebe Plunket awards.

The Society aims to increase the totality of its Scholarships programme year on year, supported by the Scholarships Trust, as it did in 2024.

Financial Review

The Statement of Financial Activities on page 13 discloses the following:

	2024	2023
	£000s	£000s
Income received	430	739
Expenditure incurred	<u>(869)</u>	<u>(1,349)</u>
	(439)	(610)
Gains on investments	<u>777</u>	<u>1,058</u>
Surplus for the year	<u>338</u>	<u>448</u>

Income received

The income received in 2024 came from a number of donations and legacies (£239k) and investment and bank interest (£191k). The Income received in 2023 was significantly higher due to a generous bequest of £286k.

Expenditure incurred

The fall in expenditure incurred is due to the change in policy which was referred to on page 5. In previous years, the Trust paid the scholarships directly, receiving a contribution from the Society. As noted earlier in this report, the overall value of scholarships awarded has been unaffected by this change in accounting treatment.

The amount of the Scholarship's Trust award to the Society's scholarship program in the year was £890k, withdrawn awards relating to the prior year were £33k and other costs of the Trust amounted to £12k.

Gains on investments

Improved market conditions in the second half of 2023 led to a significant recovery in values in that year. Growth was steadier, but lower in 2024.

Investment Performance

Details of investments are given in Note 8. The Goddard legacy (amounting to £1.9m at the end of 2024) is invested in a separate account within the Charites Investment Fund ("COIF") managed by CCLA.

A further investment in COIF, amounting to £4.9m at the end of 2024 is an investment of part of the Trust's endowment.

COIF Charity Fund

The total return performance of the COIF Charity Fund, net of fees and expenses, in the 12 months to December 2024 was 5.1% (2.8% was distributed as income), against CPI of 2.6%.

**THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2024**

Trustees' Report (Continued)

Investment performance (%) of the COIF Charity Fund, over longer periods is shown below:

Total Return	5 years	3 years	12 months
Fund	6.72	2.42	5.08
Comparator	7.4	5.51	15.3

Comparator - composite: From 01/01/21, MSCI WORLD 75%, MSCI UK Monthly Property 5%, iBoxx £ Gilts 15% & SONIA 5%. From 01/01/18, MSCI UK IMI 30%, MSCI World ex UK 45%, MSCI UK Monthly Property 5%, iBoxx £ Gilt 15% & 7 Day LIBID 5%.

As at the end of December the asset allocation of the fund (where greater than 5%) was:

Overseas equities 63.16%
Infrastructure and operating assets 8.4%
UK equities 8.3%
Fixed interest 7.69%

CCLA reported that the funds had a challenging year in performance terms. Lost equities with the main drivers for delivering the funds positive absolute returns underweight positions relative to the wider global equity market (specifically the less concentrated position in the magnificent 7 stocks that drove broad market performance in 2024) contributed to significant relative underperformance against the competitor although they anticipate that holding a more diverse portfolio than the comparator will ultimately be beneficial in terms of the reduction of fund risk relative to the comparator. Elsewhere underweight positions in banks and overweight positions in healthcare were additional contributing factors to the underperformance.

WillisTowersWatson

Funds with WillisTowersWatson ("WTW") amounted to £11.5m at the end of 2024 and are invested with the aim achieving real returns of at least 5% pa averaged over five-year rolling periods with half the volatility of equity markets. In 2024 fund growth was 5.5%.

Investment performance (%) of the WTW fund, over longer periods is shown below:

Return	10 years	5 years	3 years	12 months
Fund (net)	5.7	5.1	1.9	5.5
CPI + 5%	8.1	9.6	10.6	7.6
Equity comparator	10.2	10.8	7.2	20.2

WTW entered 2024 with an optimistic outlook for the year ahead following a challenging year for the portfolio and the major fallout of the UK gilts crisis, there remained a lot of uncertainty in the markets. Looking back over the funds performance in the year, close to all layers of the fund delivered a positive return, however some parts of the portfolio fell below WTW's expectations. They consider that this is to be expected given the diversified nature of the fund. Their underperformance is more pronounced given the extremely strong returns of equities. The Diversifiers and private equities layers delivered a return of only 0.6%.

The equity market in 2024 was dominated by the 'magnificent seven' US technology stocks. WTW's approach of investing in equities to hold and concentrated portfolio of stocks across complementary investment styles has failed to match the returns of funds more heavily invested in the 'Magnificent Seven'.

Turning to private markets, exits are crucial to the return of these strategies. A meaningful drop off of activity in the market over the past couple of years has therefore impacted on returns. However, WTW suggest that there is now evidence of increasing deal activity in 2025 which should lead to improved returns and fund liquidity.

The medium-term intention was previously to move to investing all the endowment reserves of the Trust in COIF with the unrestricted and restricted reserves being invested in WTW. This policy, which is driven by the fact that COIF gives a regular income whilst WTW generates capital growth only, and was to be gradually implemented over a number of years.

**THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2024**

Trustees' Report (Continued)

The policy of transferring endowment funds to COIF was paused in 2023 as WTW had placed a significant Anti-Dilution Levy (ADL) on the fund. A transfer out of the WTW fund was made during 2024, but only to meet cashflow requirements as the ADL remains in place.

Reserves Policy

The reserves policy is to retain sufficient funding to establish a strong investment portfolio to ensure continuity and certainty in providing future awards. As at 31 December 2024 total reserves were £18.6m, of which £11.0m was endowed for specific purposes and held in investments to generate an income out of which grants will be made in future periods. A further £0.1m was restricted for specific purposes and the remaining £7.5m was unrestricted but held in investments. Trustees are content that the current level of reserves are sufficient to meet existing strategic plans of the Charity. The unrestricted reserves are sufficient to cover over five years of expenditure on scholarships at existing levels.

Investment Powers and Policy

The Trustees have broad powers of investment. The policy is to preserve and grow the real value of the portfolio over the longer term.

Plans for Future Periods

The continuing aim remains to give scholarships to able students, irrespective of background, to enable them to achieve careers as barristers. To affect this the Trust works closely with the Society and the Honourable Society of Gray's Inn Charitable Trust to ensure that processes for the award of Scholarships are fair and in accordance with the charitable objectives of the Trust.

An external review of the Trusts investment managers was carried out in early 2025. As a result the Trustees have agreed to transfer the funds held in WTW to a new WTW distribution fund, and to recommence the transfer of funds from WTW to CCLA. The Trustees will monitor the performance of the WTW fund in deciding the pace of these transfers.

Statement of Trustees' Responsibilities

The Trustees are required to prepare, for each financial year, financial statements which observe the principles and methods of the Charities SORP, and which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that this basis applies.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with statutory requirements. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees on 18th June 2024 and signed as authorised on their behalf by:

DAVID FORSDACK

..... Trustee

**THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2024**

Independent auditor's report to the trustees of The Gray's Inn Scholarships Trust

Opinion

We have audited the financial statements of The Gray's Inn Scholarships Trust for the year ended 31 December 2024 which comprise Statement of Financial Activities, Balance Sheet, cash flow statement 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, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2024 and of 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.

Independent auditor's report to the trustees of The Gray's Inn Scholarships Trust (Cont'd)

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 9, 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:

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 compliance with the Charity SORP in the preparation of the accounts and fund accounting, 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 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 there were no such risks.

Our procedures included the following:

- Inspecting correspondence with regulators and tax authorities, and minutes of trustee meetings;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud both at planning and at completion;
- Evaluating management's controls designed to prevent and detect irregularities;
- Sample testing the allocation of expenditure to restricted funds;
- Identifying and testing journals process by management in the preparation of the financial statements; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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.

**THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2024**

Independent auditor's report to the trustees of The Gray's Inn Scholarships Trust (Cont'd)

Use of our 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
10 Queen Street Place
Statutory Auditors London
EC4R 1AG**

Date: 20/06/2025

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

THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2024

STATEMENT OF FINANCIAL ACTIVITIES

		Unrestricted Funds	Restricted Funds	Endowment Funds	2024 Total	2023 Total
	Notes	£000s	£000s	£000s	£000s	£000s
INCOME AND ENDOWMENTS FROM:						
Donations and legacies	2	234	5	-	239	544
Investments	3	132	54	-	186	183
Bank Interest		5	-	-	5	12
Total		<u>371</u>	<u>59</u>	<u>-</u>	<u>430</u>	<u>739</u>
EXPENDITURE ON:						
Charitable activities						
Education of law students	4	768	89	-	857	1,343
Other	5	12	-	-	12	6
Total		<u>780</u>	<u>89</u>	<u>-</u>	<u>869</u>	<u>1,349</u>
NET INCOMING RESOURCES		(409)	(30)	-	(439)	(610)
Net (losses)/gains on investments	8	413	1	363	777	1,058
NET INCOME/EXPENDITURE		<u>4</u>	<u>(29)</u>	<u>363</u>	<u>338</u>	<u>448</u>
RECONCILIATION OF FUNDS						
Total Funds brought forward		7,544	70	10,688	18,302	17,854
TOTAL FUNDS CARRIED FORWARD		<u>7,548</u>	<u>41</u>	<u>11,051</u>	<u>18,640</u>	<u>18,302</u>

There were no recognised gains or losses other than those shown in the above Statement of Financial Activities.

The notes on page 15 – 20 form part of the financial statements.

**THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2024**

BALANCE SHEET AT 31 DECEMBER 2024

		2024		2023	
	Notes	£000s	£000s	£000s	£000s
FIXED ASSETS					
Investments	8		18,336		17,748
CURRENT ASSETS					
Cash and Bank deposits			121		457
Debtors	9		189		213
			<u>310</u>		<u>670</u>
CREDITORS:					
Sundry creditors	10		(6)		(116)
NET CURRENT (LIABILITIES) / ASSETS			304		554
NET ASSETS			<u>18,640</u>		<u>18,302</u>
FUNDS					
Unrestricted	11		7,548		7,544
Restricted	11		41		70
Endowments	11		11,051		10,688
			<u>18,640</u>		<u>18,302</u>

Approved by the Trustees on 18th June 2025 and signed as authorised on their behalf by:

DAVID FORSDACK

Trustee:.....

**THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2024**

CASH FLOW STATEMENT

	2024	2023
	£000s	£000s
Net movement in funds	338	448
Deduct : investment gains	(777)	(1,058)
Deduct: investment income shown in investing activities	(186)	(183)
(Increase)/decrease in debtors	24	(29)
Increase/(decrease) in creditors	(111)	23
	<u>(712)</u>	<u>(799)</u>
Net cash provided by operating activities		
Cash flows from investing activities		
Investment income	186	183
Withdrawals from investments	190	-
	<u>376</u>	<u>183</u>
Increase in cash and cash equivalents in the year	(336)	(616)
Cash and cash equivalents at the start of the year	457	1,073
Total cash and cash equivalents at the end of the year	<u>121</u>	<u>457</u>

**THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2024**

Notes to the Accounts

1. ACCOUNTING POLICIES

(a) General Information

The Gray's Inn Scholarships Trust is a UK Based Charitable Trust registered with the Charity Commission. Its registered address is Treasury Office, 8 South Square, Gray's Inn, London WC1R 5ET.

(b) Basis of preparation and assessment of going concern

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 (Second edition – October 2019) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Trust constitutes a public benefit entity as defined by FRS 102.

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

In preparation of the accounts there are estimates relating to prepayments and accruals which are non-complex in nature. None of the estimates are material to the accounts.

(c) Income

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

(d) Donations and Legacies

Donations and legacies are recognised when there is entitlement to the income, receipt is probable, and the amount can be measured reliably.

(e) Scholarships

Scholarships are accounted for as they are awarded.

(f) Investments

Investments are stated at market value. Realised and unrealised gains and losses during the year are taken to the Statement of Financial Activities.

(g) Funds

Unrestricted funds are donations and other incoming resources to be applied in meeting the broad objects of the charity. Restricted funds represent the unexpended income to be applied for specific purposes. Endowment funds (unless expendable in specified circumstances) are not to be spent but retained to preserve the capital value of the original bequests.

(h) Expenditure

The expenditure of the Trust is directly allocated to the charitable activity to which it relates or to the governance of the Trust.

(i) Financial Instruments

The Trust only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

(j) Creditors

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2024

Notes to the Accounts (Continued)

(k) Debtors

Short term debtors are measured at the transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

(l) Provisions

Provisions are made where an event has taken place that gives the Trust a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation. Provisions are charged as an expense to the Statement of Financial Activities in the year that the Society becomes aware of the obligation and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2. DONATIONS AND LEGACIES

	Unrestricted Funds £000s	Restricted Funds £000s	Endowment Funds £000s	2024 Total £000s
General Donations and legacies	227	5	-	232
Bingham Appeal	7	-	-	7
	<u>234</u>	<u>5</u>	<u>-</u>	<u>239</u>

	Unrestricted Funds £000s	Restricted Funds £000s	Endowment Funds £000s	2,023 Total £000s
General Donations and legacies	504	31	-	535
Bingham Appeal	9	-	-	9
	<u>513</u>	<u>-</u>	<u>-</u>	<u>544</u>

3. INCOME FROM INVESTMENTS

	Unrestricted Funds £000s	Restricted Funds £000s	Endowment Funds £000s	2024 Total £000s
Investment portfolio	132	54	-	186

	Unrestricted Funds £000s	Restricted Funds £000s	Endowment Funds £000s	2023 Total £000s
Investment portfolio	130	53	-	183

Notes to the Accounts (Continued)

**THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2024**

4. CHARITABLE EXPENDITURE

The Trust employs no members of staff and hence there are no staff costs or key management personnel costs to disclose.

	2024	2023
	£000s	£000s
Scholarships awarded for the education of law students		
General Fund		
Unrestricted Fund	801	1,307
Awards not taken and written back	(33)	(78)
	<u>768</u>	<u>1,229</u>
Bingham Fund	-	8
Charnley Fund	-	12
Mustill Fund	5	13
Hebe Plunkett Fund	2	5
Ann Goddard Fund	81	75
The Troy Trust (Beloff Essay Prize)	1	1
	<u>857</u>	<u>1,343</u>
Total scholarships awarded in year	890	1,421
Awards not taken and written back	(33)	(78)
Net cost of scholarships awarded in year	<u>857</u>	<u>1,343</u>

5. OTHER COSTS

	Unrestricted	Restricted	Endowment	2024
	Funds	Funds	Funds	Total
	£000s	£000s	£000s	£000s
Audit Fees	7	-	-	7
Other	5	-	-	5
	<u>12</u>	<u>-</u>	<u>-</u>	<u>12</u>
	<u>12</u>	<u>-</u>	<u>-</u>	<u>12</u>
	<u>12</u>	<u>-</u>	<u>-</u>	<u>12</u>
	Unrestricted	Restricted	Endowment	2023
	Funds	Funds	Funds	Total
	£000s	£000s	£000s	£000s
Audit Fees	5	-	-	5
Other	1	-	-	1
	<u>6</u>	<u>-</u>	<u>-</u>	<u>6</u>
	<u>6</u>	<u>-</u>	<u>-</u>	<u>6</u>
	<u>6</u>	<u>-</u>	<u>-</u>	<u>6</u>

The Trust receives support services donated by The Society. These relate entirely to its sole charitable activity, the education of law students. It is not practicable to quantify the value of donated services with any degree of precision. On the basis that the value is likely to be immaterial, a value of nil has been ascribed to the donated services in these accounts.

**THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2024**

Notes to the Accounts (Continued)

6. TRUSTEES' REMUNERATION AND RELATED PARTY TRANSACTIONS

During the year no trustee received any remuneration or expenses (2023: nil). There were no related party transactions in the year (2023: nil)

7. TAXATION

The Trust is a registered charity, and its income and gains are exempt from taxation.

8. INVESTMENTS

	2024	2023
	£000s	£000s
<u>INVESTMENTS HELD WITH WTW</u>		
Market value at 1 January	11,103	10,612
Capital introduced/(withdrawn)	(190)	-
Investment gains/ (losses)	627	490
Market value at 31 December	<u>11,540</u>	<u>11,102</u>
Cost at 31 December	<u>4,263</u>	<u>4,333</u>
<u>INVESTMENTS HELD WITH COIF (GENERAL FUND)</u>		
Market value at 1 January	4,749	4,344
Capital introduced/(withdrawn)	-	-
Investment gains/ (losses)	107	406
Market value at 31 December	<u>4,856</u>	<u>4,750</u>
Cost at 31 December	<u>4,150</u>	<u>4,150</u>
<u>INVESTMENTS HELD WITH COIF (GODDARD)</u>		
Market value at 1 January	1,896	1,734
Capital introduced/(withdrawn)	-	-
Investment gains/ (losses)	43	162
Market value at 31 December	<u>1,939</u>	<u>1,896</u>
Cost at 31 December	1,571	1,571
<u>TOTAL INVESTMENTS</u>		
Market value at 1 January	17,748	16,690
Capital introduced/(withdrawn)	(190)	-
Investment gains/ (losses)	778	1,058
Market value at 31 December	<u>18,336</u>	<u>17,748</u>
Cost at 31 December	<u>9,983</u>	<u>10,054</u>

9. DEBTORS

	2024	2023
	£000s	£000s
Accrued income	189	213
	<u>189</u>	<u>213</u>

THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2024

Notes to the Accounts (Continued)

10. CREDITORS

	2024	2023
	£000s	£000s
Scholarships awarded but not yet paid	-	112
Audit fee	6	4
	<u>6</u>	<u>116</u>

11. ANALYSIS OF UNRESTRICTED, RESTRICTED AND ENDOWMENT FUNDS

The movement of funds during the year is as detailed below:

	1 January	Incoming	Resources	Investment	31 December
	2024	Resources	Expended	Gains / (Losses)	2024
	£000s	£000s	£000s	£000s	£000s
<u>Unrestricted Fund</u>					
General	6,184	334	(780)	339	6,077
The Bingham Fund	1,360	37	-	74	1,471
Total Unrestricted	<u>7,544</u>	<u>371</u>	<u>(780)</u>	<u>413</u>	<u>7,548</u>
<u>Restricted</u>					
Stephen Silber Fund	1	-	-	-	1
The Charnley Fund	1	-	-	-	1
Hebe Plunkett Fund	20	1	(2)	1	20
The Mustill Fund	7	5	(5)	-	7
Sir Brian Smedley Fund	-	-	-	-	-
Troy Fund/Beloff Prize	4	-	(1)	-	3
Ann Goddard Fund	37	53	(81)	-	9
Total Restricted	<u>70</u>	<u>59</u>	<u>(89)</u>	<u>1</u>	<u>41</u>
<u>Endowment</u>					
General	8,298	-	-	302	8,600
Hebe Plunkett Fund	463	-	-	17	480
Sir Brian Smedley Fund	28	-	-	1	29
Ann Goddard Fund	1,899	-	-	43	1,942
Total Endowment	<u>10,688</u>	<u>-</u>	<u>-</u>	<u>363</u>	<u>11,051</u>
Total Funds	<u>18,302</u>	<u>430</u>	<u>(869)</u>	<u>777</u>	<u>18,640</u>
Analysis of Net Assets between Funds as at 31 December 2024					
	Unrestricted	Restricted	Endowment	Total	
Investments	7,256	32	11,048	18,336	
Net Current Assets	292	9	3	304	
	<u>7,548</u>	<u>41</u>	<u>11,051</u>	<u>18,640</u>	

The Endowment Fund of the General Fund arose from various legacies and donations and represents a permanent endowment. The Unrestricted Fund is to be applied to meet the charitable objectives of the Trust. The purposes of the various funds are outlined in more detail in the Trustee's Report.

THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2024

Notes to the Accounts (Continued)

11. ANALYSIS OF UNRESTRICTED, RESTRICTED AND ENDOWMENT FUNDS (Continued)

The movement of funds during the prior year is as detailed below:

	1 January 2023 £000s	Incoming Resources £000s	Resources Expended £000s	Investment Gains / (Losses) £000s	31 December 2023 £000s
<u>Unrestricted Fund</u>					
General	6,519	619	(1,234)	280	6,184
The Bingham Fund	1,276	37	(9)	56	1,360
Total Unrestricted	<u>7,795</u>	<u>656</u>	<u>(1,243)</u>	<u>336</u>	<u>7,544</u>
<u>Restricted</u>					
Stephen Silber Fund	1	-	-	-	1
The Charnley Fund	3	10	(12)	-	1
Hebe Plunkett Fund	24	-	(5)	1	20
The Mustill Fund	-	21	(13)	-	8
Sir Brian Smedley Fund	-	-	-	-	-
Troy Fund/Beloff Prize	4	-	(1)	-	3
Ann Goddard Fund	60	52	(75)	-	37
Total Restricted	<u>92</u>	<u>83</u>	<u>(106)</u>	<u>1</u>	<u>70</u>
<u>Endowment</u>					
General	7,770	-	-	528	8,298
Hebe Plunkett Fund	434	-	-	29	463
Sir Brian Smedley Fund	26	-	-	2	28
Ann Goddard Fund	1,737	-	-	162	1,899
Total Endowment	<u>9,967</u>	<u>-</u>	<u>-</u>	<u>721</u>	<u>10,688</u>
Total Funds	<u>17,854</u>	<u>739</u>	<u>(1,349)</u>	<u>1,058</u>	<u>18,302</u>
Analysis of Net Assets between					
Funds as at 31 December 2023		Unrestricted Fund	Restricted Funds	Endowment Funds	Total Assets
Investments		7,030	33	10,685	17,748
Net Current Assets		513	37	3	554
		<u>7,543</u>	<u>70</u>	<u>10,688</u>	<u>18,302</u>

THE GRAY'S INN SCHOLARSHIPS TRUST

England & Wales - Charity number 313604

Accounts

**THE GRAY'S INN
SCHOLARSHIPS TRUST**

Financial Statements

for the year to

31 December 2023

Registered Charity No. 313604

**THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2023**

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**THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2023**

Trustees' Report

Reference and Administrative Details, Trustees and Advisers

TRUSTEES

Timothy Corner KC
David Forsdick KC
The Honourable Mrs Justice Nathalie Lieven (resigned 31
December 2023)
Rebecca Sabben-Clare KC (appointed 1st January 2024)

PRINCIPAL OFFICE

8 South Square
Gray's Inn
London WC1R 5ET

CHARITY REGISTRATION NO.

313604

GOVERNING INSTRUMENT

Charity Commission Scheme dated 2nd May 1995

AUDITORS

Haysmacintyre LLP
10 Queen Street Place
London EC4R 1AG

SOLICITORS

Hunters
9 New Square
Lincoln's Inn
London WC2A 3QN

PRINCIPAL BANKERS

C Hoare & Co
37 Fleet Street
London EC4P 4DQ

INVESTMENT MANAGERS

Willis Towers Watson
MidCity Place
71 High Holborn
London WC1V 6TP

CCLA Investment Management
Senator House
85 Queen Victoria Street
London EC4V 4ET

SENIOR MANAGEMENT TEAM

Chief Executive: Stephen Cartwright
Director of Finance: Clare Johns

THE GRAY'S INN SCHOLARSHIPS TRUST YEAR TO 31 DECEMBER 2023

Trustees' Report (Continued)

Structure, Governance and Management

The Gray's Inn Scholarships Trust ("the Trust") is a Charitable Trust registered with the Charity Commission. Trustees who acted throughout the year are disclosed on Page 3.

The Trustees are kept conversant with the law and the requirements of the Charity Commission, as required, by professional advisers.

The Trustees receive reports of the two key meetings of the Scholarships Committee. They approve the amount of money to be divided between the Common Professional Examination (CPE), Bar Course and pupillage awards and they approve the list of those who should receive scholarships. The selection is undertaken by other Masters of the Bench, members of Hall and staff of The Honourable Society of Gray's Inn ("the Society").

Trustees are selected by the Management Committee of The Society and their appointments are confirmed by Pension, the ultimate policy and decision-making body of The Society. The day-to-day management of the Trust is delegated to the management staff of The Society and there are regular meetings of the Trustees.

Funds

The Hebe Plunkett Fund

The Hebe Plunkett Fund was initially registered with the Charity Commission as a separate charity but, with the approval of the Commission, it was transferred to this Trust on 31 December 2003.

The original governing document required that the income and, if considered proper by the Trustees in the light of exceptional circumstances, the capital should all be applied in advancing legal education by assisting persons with defective eyesight in the study of law in such manner as the Trustees thought fit and in particular (and without prejudice to the generality of the forgoing) by providing equipment in The Society's library.

To the extent that the income was not applied, it was to be accumulated for the 21-year period from 11 February 1989. The Trustees had discretion to spend the income so accumulated.

Following the expiry of the 21-year period of permitted accumulation on 11 February 2010, the Trustees have discretion to apply the income for such purposes of an educational nature connected with The Society to the extent that the specified original objective cannot be achieved.

The Trustees resolved at their meeting on 21 September 2010 that this fund should continue as a separate and discrete fund and the original objectives adhered to as far as possible.

The Sir Brian Smedley Fund

The income arising on the endowment is available as a scholarship open to members of The Society who are barristers of not more than one year's call, or students, and who are practising or intending to practice at the Bar of England and Wales. Preference is to be given to candidates practising or intending to practice on the Midland Circuit.

The Troy Fund (Beloff Essay Prize)

This fund is expendable and is to be applied in funding an annual essay prize in Administrative Law for those who are applying for pupillages.

The Bingham Fund

This is shown separately in an unrestricted fund while fund raising continues. It is hoped that if the fund reaches £1,500,000, 5 scholarships of £10,000 will be awarded annually in memory of the late Lord Bingham. A Bingham scholarship was awarded in 2023.

The Charnley award

This award is made, on merit, to a high potential candidate for the Graduate Diploma in Law.

**THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2023**

Trustees' Report (Continued)

The Ann Goddard Fund

A total bequest of £1,503,833 is invested in a separate portfolio and the income arising therefrom is to be used to assist barristers during their pupillage with preference being given to those seeking to practice at the criminal bar.

Risk Review

The Trustees have assessed the major risks faced by the charity and keep them under review. All the operational activities of the Trust are undertaken by the Honourable Society of Gray's Inn and the Trustees rely on their risk control processes. Specific reference is made in these processes to the risk management requirements of the Trust. The key risks relate to the performance of the investment portfolio (see "Investment performance" in the Trustees Report for more detail), the continuation of support from the Society and the risk of a lack of liquidity for the payment of awards. Trustees monitor these risks regularly by receiving updates from investment managers on the performance of the portfolio and maintaining regular dialogue with the Society and considering cash requirements as part of the annual budget process.

Objectives and Activities

The principal charitable objective of the Trust is the advancement of education in the law for students and members of the Society and this is achieved by awarding scholarships to all with ability. To that end, scholarship interviews are held separately for those taking the CPE and Bar Course exams and those seeking pupillage awards following their Call to the Bar. Details of the grant policy and the scholarships are given below.

Grant Policy

The grant policy is to identify able students and to assist them to complete their studies and to be called to the Bar. In order to attract the brightest students to The Society, the awards made must be competitive with the other Inns of Court. The Scholarships Committee considers applications from students on an annual basis. These awards are available to cover each year of a student's study – the Common Professional Examination (CPE), the Bar Professional Training Course (BPTC) and during pupillage. In addition, there is a special fund within the charity, The Hebe Plunkett Fund, to provide additional assistance to handicapped students with a preference for those with a visual impairment.

Public Benefit

The Trustees confirm that they have considered the Charity Commission's guidance on public benefit. The Trust's sole activity is the awarding of scholarships to students to enable them to pursue careers as barristers. This function is delegated to the Scholarships Committee which is guided by a policy document designed to achieve and to demonstrate that all awards are made on non-discriminatory bases.

Information about the scholarships is made publicly available through The Society's website and the Scholarships Handbook which is issued to all new students or those interested in becoming students of The Society. Awards are monitored to ensure that the charitable objectives of the Trust are being achieved.

The public benefit derived from the Trust's activities is two-fold. Firstly, it offers legal educational opportunities to all of ability irrespective of background, and secondly it helps to maintain the highest standards required and expected of the legal profession by members of the public.

**THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2023**

Trustees' Report (Continued)

Achievements and Performance in the year

Scholarship awards cover all or part of tuition and living costs. During the year the Trustees awarded scholarships to student members of The Society as follows:

	2023	2022
	£	£
Scholarships and prizes awarded (see note 4)	<u>£1,420,916</u>	<u>£1,305,575</u>
Number of scholarships and prizes awarded	164	134
Average value	<u>£8,664</u>	<u>£9,743</u>

The aggregate number of scholarships awarded is based on the value of awards to individuals. The number of prizes has increased due to the introduction of a number of smaller internship prizes in 2023.

Student Accommodation

Fifteen students are offered accommodation as a scholarship within the Inn for the duration of their course. Each student signs a tenancy agreement at a zero rent with the Society. The Trust pays a market-related rent for the accommodation to the Society and this amount is included in the total of the value of the scholarships awarded in the year. The cost of this is borne by the Trust. The total amount paid under these arrangements in 2023 was £184k (2022: £184k).

Financial Review

The Statement of Financial Activities on page 12 discloses the following –

	2023	2022
	£	£
Income received	739,066	2,213,093
Expenditure incurred	<u>(1,348,743)</u>	<u>(1,271,081)</u>
	(609,677)	942,012
Gains / (Losses) on investments	<u>1,058,038</u>	<u>(1,240,606)</u>
Surplus / (Deficit) for the year	<u>£448,361</u>	<u>£(298,594)</u>

The high level of income received in 2022 was largely because the Society agreed to treat the loans advanced to the Trust in 2020 and 2021 (£1.2m in total) as a donation. Income received in 2023 includes a generous bequest of which £286k was received in the year.

Expenditure incurred, which shows an increase of 6%, is mainly the net amount of scholarships paid after allowing for scholarships not taken up.

Very difficult market conditions in 2022 saw the investments fall in value. Improved market conditions in the second half of 2023 led to a significant recovery in values.

The funds available as at 31 December amounted to:

	2023	2022
	£	£
Unrestricted Funds	7,543,582	7,794,352
Restricted Funds	70,476	92,636
Endowment Funds	<u>10,687,819</u>	<u>9,966,528</u>
	<u>£18,301,877</u>	<u>£17,853,516</u>

**THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2023**

Trustees' Report (Continued)

Investment Performance

Details of investments are given in Note 8. The Goddard legacy (amounting to £1.9m at the end of 2023) is invested in a separate account within the Charites Investment Fund ("COIF") managed by CCLA.

A further investment in COIF, amounting to £4.7m at the end of 2023 is an investment of part of the Trust's endowment.

Funds with WillisTowersWatson ("WTW") amounted to £11.1m at the end of 2023 and are invested with the aim achieving real returns of at least 5% pa averaged over five-year rolling periods with half the volatility of equity markets. 2023 saw an increase in fund value, compared to the opening balance, of 4.6%.

The medium-term intention is to invest all the endowment reserves of the Trust in COIF with the unrestricted and restricted reserves being invested in WTW. This policy, which is driven by the fact that COIF gives a regular income whilst WTW generates capital growth only, is gradually being implemented over a number of years. The income generated by COIF assets in 2023 represented a 3% return on the opening balances held. There was a 9% gain in the year end valuation, compared with a 12% fall in 2022.

The policy of transferring endowment funds to COIF was paused in 2023 as WTW had placed a significant Anti-Dilution Levy (ADL) on the fund. It is hoped that transfers can recommence in 2024, subject to a fall in the ADL.

Reserves Policy

The reserves policy is to retain sufficient funding to establish a strong investment portfolio to ensure continuity and certainty in providing future awards. As at 31 December 2023 total reserves were £18.3m, of which £10.7m was endowed for specific purposes and held in investments to generate an income out of which grants will be made in future periods. A further £0.1m was restricted for specific purposes and the remaining £7.5m was unrestricted but held in investments. Trustees are content that the current level of reserves are sufficient to meet existing strategic plans of the Charity. The unrestricted reserves are sufficient to cover over five years of expenditure on scholarships at existing levels.

Investment Powers and Policy

The Trustees have broad powers of investment. The policy is to preserve and grow the real value of the portfolio over the longer term.

Plans for Future Periods

The continuing aim remains to give scholarships to able students, irrespective of background, to enable them to achieve careers as barristers. To affect this the Trust works closely with the Society and the Honourable Society of Gray's Inn Charitable Trust to ensure that processes for the award of Scholarships are fair and in accordance with the charitable objectives of the Trust.

In 2024 it is intended that the Trustees make an annual grant to the Society, and the Society will pay the scholarships to the students directly.

**THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2023**

Trustees' Report (Continued)

Statement of Trustees' Responsibilities

The Trustees are required to prepare, for each financial year, financial statements which observe the principles and methods of the Charities SORP, and which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that this basis applies.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with statutory requirements. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees on 12th June 2024 and signed as authorised on their behalf by:



.....
T CORNER
Trustee

**THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2023**

Independent auditor's report to the trustees of The Gray's Inn Scholarships Trust

Opinion

We have audited the financial statements of The Gray's Inn Scholarships Trust for the year ended 31 December 2023 which comprise Statement of Financial Activities, Balance Sheet, cash flow statement 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, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2023 and of 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.

Independent auditor's report to the trustees of The Gray's Inn Scholarships Trust (Cont'd)

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 8, 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:

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 compliance with the Charity SORP in the preparation of the accounts and fund accounting, 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 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 there were no such risks.

Our procedures included the following:

- Inspecting correspondence with regulators and tax authorities, and minutes of trustee meetings;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud both at planning and at completion;
- Evaluating management's controls designed to prevent and detect irregularities;
- Sample testing the allocation of expenditure to restricted funds;
- Identifying and testing journals process by management in the preparation of the financial statements; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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.

**THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2023**

Independent auditor's report to the trustees of The Gray's Inn Scholarships Trust (Cont'd)

Use of our 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
10 Queen Street Place
Statutory Auditors London
EC4R 1AG**

Date: 14/06/24

THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2023

STATEMENT OF FINANCIAL ACTIVITIES

		Unrestricted Funds	Restricted Funds	Endowment Funds	2023 Total	2022 Total
	Notes	£	£	£	£	£
INCOME AND ENDOWMENTS FROM:						
Donations and legacies	2	513,589	30,600	-	544,189	2,027,751
Investments	3	129,843	52,603	-	182,446	182,446
Bank Interest		12,431	-	-	12,431	2,895
Total		<u>655,863</u>	<u>83,203</u>	<u>-</u>	<u>739,066</u>	<u>2,213,093</u>
EXPENDITURE ON:						
Charitable activities						
Education of law students	4	1,236,150	106,766	-	1,342,916	1,265,775
Other	5	5,827	-	-	5,827	5,306
Total		<u>1,241,977</u>	<u>106,766</u>	<u>-</u>	<u>1,348,743</u>	<u>1,271,081</u>
NET INCOMING RESOURCES		(586,114)	(23,563)	-	(609,677)	942,012
Net (losses)/gains on investments	8	335,343	1,403	721,292	1,058,038	(1,240,606)
NET INCOME/EXPENDITURE		<u>(250,771)</u>	<u>(22,160)</u>	<u>721,292</u>	<u>448,361</u>	<u>(298,594)</u>
RECONCILIATION OF FUNDS						
Total Funds brought forward		7,794,353	92,636	9,966,527	17,853,516	18,152,110
TOTAL FUNDS CARRIED FORWARD		<u>£7,543,582</u>	<u>£70,476</u>	<u>£10,687,819</u>	<u>£18,301,877</u>	<u>£17,853,516</u>

There were no recognised gains or losses other than those shown in the above Statement of Financial Activities.

The notes on page 15 – 21 form part of the financial statements.

**THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2023**

BALANCE SHEET AT 31 DECEMBER 2023

		2023		2022	
	Notes	£	£	£	£
FIXED ASSETS					
Investments	8		17,748,369		16,690,331
CURRENT ASSETS					
Debtors	9	212,580		183,353	
Cash and Bank deposits		457,254		1,073,432	
		669,834		1,256,785	
CREDITORS:					
Sundry creditors	10	(116,326)		(93,600)	
		(116,326)		(93,600)	
NET CURRENT (LIABILITIES) / ASSETS			553,508		1,163,185
NET ASSETS			<u>£ 18,301,877</u>		<u>£ 17,853,516</u>
FUNDS					
Unrestricted	12		7,543,582		7,794,353
Restricted	12		70,476		92,636
Endowments	12		10,687,819		9,966,527
			<u>£18,301,877</u>		<u>£17,853,516</u>

Approved by the Trustees on 12th June 2024 and signed as authorised on their behalf by:



Trustee:.....

T CORNER

**THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2023**

CASH FLOW STATEMENT

	2023	2022
	£	£
Net movement in funds	448,361	(298,594)
Deduct : investment gains	(1,058,038)	1,240,606
Deduct: investment income shown in investing activities	(182,446)	(182,446)
(Increase)/decrease in debtors	(29,227)	(8,076)
Increase/(decrease) in creditors	22,726	32,400
Net cash provided by operating activities	(798,624)	783,890
Cash flows from investing activities		
Investment income	182,446	182,446
Withdrawals from investments	-	1,123,734
	182,446	1,306,180
Cash flows from financing activities		
Short term Loan from Gray's Inn	-	(1,200,000)
Increase in cash and cash equivalents in the year	(616,178)	890,070
Cash and cash equivalents at the start of the year	1,073,432	183,362
Total cash and cash equivalents at the end of the year	£457,254	£1,073,432

**THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2023**

Notes to the Accounts

1. ACCOUNTING POLICIES

(a) General Information

The Gray's Inn Scholarships Trust is a UK Based Charitable Trust registered with the Charity Commission. Its registered address is Treasury Office, 8 South Square, Gray's Inn, London WC1R 5ET.

(b) Basis of preparation and assessment of going concern

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 (Second edition – October 2019) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Trust constitutes a public benefit entity as defined by FRS 102.

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

In preparation of the accounts there are estimates relating to prepayments and accruals which are non-complex in nature. None of the estimates are material to the accounts.

(c) Income

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

(d) Donations and Legacies

Donations and legacies are recognised when there is entitlement to the income, receipt is probable, and the amount can be measured reliably.

(e) Scholarships

Scholarships are accounted for as they are awarded.

(f) Investments

Investments are stated at market value. Realised and unrealised gains and losses during the year are taken to the Statement of Financial Activities.

(g) Funds

Unrestricted funds are donations and other incoming resources to be applied in meeting the broad objects of the charity. Restricted funds represent the unexpended income to be applied for specific purposes. Endowment funds (unless expendable in specified circumstances) are not to be spent but retained to preserve the capital value of the original bequests.

(h) Expenditure

The expenditure of the Trust is directly allocated to the charitable activity to which it relates or to the governance of the Trust.

(i) Financial Instruments

The Trust only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

(j) Creditors

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2023

Notes to the Accounts (Continued)

(k) Debtors

Short term debtors are measured at the transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

(l) Provisions

Provisions are made where an event has taken place that gives the Trust a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation. Provisions are charged as an expense to the Statement of Financial Activities in the year that the Society becomes aware of the obligation and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2. DONATIONS AND LEGACIES

	Unrestricted Funds	Restricted Funds	Endowment Funds	2023 Total
	£	£	£	£
General Donations and legacies	504,417	30,600	-	535,017
Bingham Appeal	9,172	-	-	9,172
Hon Soc of Gray's Inn	-	-	-	-
	<u>£513,589</u>	<u>30,600</u>	<u>-</u>	<u>£544,189</u>

	Unrestricted Funds	Restricted Funds	Endowment Funds	2022 Total
	£	£	£	£
General Donations and legacies	191,728	10,000	-	201,728
Bingham Appeal	26,023	-	-	26,023
Hon Soc of Gray's Inn	1,800,000	-	-	1,800,000
	<u>£2,017,751</u>	<u>-</u>	<u>-</u>	<u>£2,027,751</u>

3. INCOME FROM INVESTMENTS

	Unrestricted Funds	Restricted Funds	Endowment Funds	2023 Total
	£	£	£	£
Investment portfolio	<u>£129,843</u>	<u>£52,603</u>	<u>£0</u>	<u>£182,446</u>

	Unrestricted Funds	Restricted Funds	Endowment Funds	2022 Total
	£	£	£	£
Investment portfolio	<u>£129,617</u>	<u>£52,829</u>	<u>-</u>	<u>£182,446</u>

**THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2023**

Notes to the Accounts (Continued)

4. CHARITABLE EXPENDITURE

The Trust employs no members of staff and hence there are no staff costs or key management personnel costs to disclose.

Scholarships awarded for the education of law students

General Fund		
Unrestricted Fund	1,306,650	1,205,925
Awards not taken and written back	(78,000)	(39,800)
	1,228,650	1,166,125
Bingham Fund	7,500	10,000
Charnley Fund	12,000	13,000
Mustill Fund	13,316	-
Hebe Plunkett Fund	5,450	4,650
Ann Goddard Fund	75,000	71,000
The Troy Trust (Beloff Essay Prize)	1,000	1,000
	<u>£1,342,916</u>	<u>£1,265,775</u>
Total scholarships awarded in year	1,420,916	1,305,575
Awards not taken and written back	(78,000)	(39,800)
Net cost of scholarships awarded in year	<u>£1,342,916</u>	<u>£1,265,775</u>

Included in the above is the sum of £184,350 (2022 £184,375) representing the rental paid by the Trust to the Society for rental of accommodation offered to students who were awarded residential scholarships.

Other than Residential awards all scholarships are made directly to individuals. No grants are made to Institutions.

5. OTHER COSTS

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2023 Total £
Audit Fees and Bank Charges	5,827	£0	£0	5,827
	<u>£5,827</u>	<u>-</u>	<u>-</u>	<u>£5,827</u>
	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 Total £
Audit Fees and Bank Charges	5,306	-	-	5,306
	<u>£5,306</u>	<u>-</u>	<u>-</u>	<u>£5,306</u>

The Trust receives support services donated by The Society. These relate entirely to its sole charitable activity, the education of law students. It is not practicable to quantify the value of donated services with any degree of precision. On the basis that the value is likely to be immaterial, a value of nil has been ascribed to the donated services in these accounts

**THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2023**

Notes to the Accounts (Continued)

6. TRUSTEES' REMUNERATION AND RELATED PARTY TRANSACTIONS

During the year no trustee received any remuneration or expenses (2022: nil). There were no related party transactions in the year (2022: nil)

7. TAXATION

The Trust is a registered charity, and its income and gains are exempt from taxation.

8. INVESTMENTS

	2023	2022
	£	£
<u>INVESTMENTS HELD WITH WTW</u>		
Market value at 1 January	10,612,376	12,177,175
Capital introduced/(withdrawn)	-	(1,123,734)
Investment gains/ (losses)	490,171	(441,065)
Market value at 31 December	<u>£11,102,547</u>	<u>£10,612,376</u>
Cost at 31 December	<u>£4,333,413</u>	<u>£4,333,413</u>
<u>INVESTMENTS HELD WITH COIF (GENERAL FUND)</u>		
Market value at 1 January	4,343,641	4,915,037
Capital introduced/(withdrawn)	-	-
Investment gains/ (losses)	405,829	(571,396)
Market value at 31 December	<u>£4,749,470</u>	<u>£4,343,641</u>
Cost at 31 December	<u>£4,150,000</u>	<u>£4,150,000</u>
<u>INVESTMENTS HELD WITH COIF (GODDARD)</u>		
Market value at 1 January	1,734,314	1,962,459
Capital introduced/(withdrawn)	-	-
Investment gains/ (losses)	162,038	(228,145)
Market value at 31 December	<u>£1,896,352</u>	<u>£1,734,314</u>
Cost at 31 December	<u>£1,570,573</u>	<u>£1,570,573</u>
<u>TOTAL INVESTMENTS</u>		
Market value at 1 January	16,690,331	19,054,671
Capital introduced/(withdrawn)	-	(1,123,734)
Investment gains/ (losses)	1,058,038	(1,240,606)
Market value at 31 December	<u>£17,748,369</u>	<u>£16,690,331</u>
Cost at 31 December	<u>£10,053,986</u>	<u>£10,053,986</u>

**THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2023**

Notes to the Accounts (Continued)

9. DEBTORS

	2023	2022
	£	£
Accrued income	212,580	183,353
	<u>£212,580</u>	<u>£183,353</u>

10. CREDITORS

	2023	2022
	£	£
Scholarships awarded but not yet paid	111,816	89,500
Audit fee	4,510	4,100
	<u>£116,326</u>	<u>£93,600</u>

11. SHORT TERM LOAN

In 2020 and 2021 the Trust borrowed a total of £1.2m from the Society. The loan was unsecured, interest free and was re-payable on three months' notice. In these two years the Society did not make a grant to the Trust. In February 2023 the Society agreed to write off the loan and to treat the funds paid as a donation to the Trust.

**THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2023**

Notes to the Accounts (Continued)

12. ANALYSIS OF UNRESTRICTED, RESTRICTED AND ENDOWMENT FUNDS

The movement of funds during the year is as detailed below:

	1 January 2023 £	Incoming Resources £	Resources Expended £	Investment Gains / (Losses) £	31 December 2023 £
Unrestricted Fund					
General	6,518,222	619,216	(1,234,477)	280,439	6,183,400
The Bingham Fund	1,276,131	36,647	(7,500)	54,904	1,360,182
Total Unrestricted	<u>7,794,353</u>	<u>655,863</u>	<u>(1,241,977)</u>	<u>335,343</u>	<u>7,543,582</u>
Restricted					
Stephen Silber Fund	880	14	-	38	932
The Charnley Fund	2,802	10,047	(12,000)	120	969
Hebe Plunkett Fund	24,307	405	(5,450)	1,046	20,308
The Mustill Fund	-	20,600	(13,316)	-	7,284
Sir Brian Smedley Fund	341	6	-	15	362
Troy Fund/Beloff Prize	4,269	71	(1,000)	184	3,524
Ann Goddard Fund	60,037	52,060	(75,000)	-	37,097
Total Restricted	<u>92,636</u>	<u>83,203</u>	<u>(106,766)</u>	<u>1,403</u>	<u>70,476</u>
Endowment					
General	7,769,562	-	-	528,018	8,297,580
Hebe Plunkett Fund	433,714	-	-	29,475	463,189
Sir Brian Smedley Fund	25,906	-	-	1,761	27,667
Ann Goddard Fund	1,737,345	-	-	162,038	1,899,383
Total Endowment	<u>9,966,527</u>	<u>-</u>	<u>-</u>	<u>721,292</u>	<u>10,687,819</u>
Total Funds	<u>£17,853,516</u>	<u>£739,066</u>	<u>£(1,348,743)</u>	<u>£1,058,038</u>	<u>£18,301,877</u>
Analysis of Net Assets between Funds as at 31 December 2023		Unrestricted Fund	Restricted Funds	Endowment Funds	Total Assets
Investments		7,030,202	33,379	10,684,788	17,748,369
Net Current Assets		513,380	37,097	3,031	553,508
		<u>£7,543,582</u>	<u>£70,476</u>	<u>£10,687,819</u>	<u>£18,301,877</u>

The Endowment Fund of the General Fund arose from various legacies and donations and represents a permanent endowment. The Unrestricted Fund is to be applied to meet the charitable objectives of the Trust. The purposes of the various funds are outlined in more detail in the Trustee's Report.

THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2023

Notes to the Accounts (Continued)

12. ANALYSIS OF UNRESTRICTED, RESTRICTED AND ENDOWMENT FUNDS (Continued)

The movement of funds during the prior year is as detailed below:

	1 January 2022 £	Incoming Resources £	Resources Expended £	Investment Gains / (Losses) £	31 December 2022 £
<u>Unrestricted Fund</u>					
General	5,818,951	2,094,351	(1,171,431)	(223,649)	6,518,222
The Bingham Fund	1,279,390	55,913	(10,000)	(49,173)	1,276,131
Total Unrestricted	<u>7,098,341</u>	<u>2,150,264</u>	<u>(1,181,431)</u>	<u>(272,822)</u>	<u>7,794,352</u>
<u>Restricted</u>					
Stephen Silber Fund	898	16	-	(35)	880
The Charnley Fund	5,921	10,108	(13,000)	(228)	2,802
Hebe Plunkett Fund	29,553	540	(4,650)	(1,136)	24,307
The Mustill Fund	-	-	-	-	-
Sir Brian Smedley Fund	348	6	-	(13)	341
Troy Fund/Beloff Prize	5,378	98	(1,000)	(207)	4,269
Ann Goddard Fund	78,977	52,060	(71,000)	-	60,037
Total Restricted	<u>121,075</u>	<u>62,829</u>	<u>(89,650)</u>	<u>(1,618)</u>	<u>92,636</u>
<u>Endowment</u>					
General	8,466,363	-	-	(696,801)	7,769,562
Hebe Plunkett Fund	472,611	-	-	(38,897)	433,714
Sir Brian Smedley Fund	28,230	-	-	(2,323)	25,906
Ann Goddard Fund	1,965,490	-	-	(228,145)	1,737,345
Total Endowment	<u>10,932,694</u>	<u>-</u>	<u>-</u>	<u>(966,167)</u>	<u>9,966,528</u>
Total Funds	<u>£18,152,110</u>	<u>£2,213,093</u>	<u>£(1,271,081)</u>	<u>£(1,240,606)</u>	<u>£17,853,516</u>
Analysis of Net Assets between Funds as at 31 December 2022					
	Unrestricted Fund	Restricted Funds	Endowment Funds	Total Assets	
Investments	6,694,236	32,599	9,963,497	16,690,331	
Net Current Assets	1,100,117	60,037	3,031	1,163,184	
	<u>£7,794,352</u>	<u>£92,636</u>	<u>£9,966,528</u>	<u>£17,853,516</u>	

THE GRAY'S INN SCHOLARSHIPS TRUST

England & Wales - Charity number 313604

Accounts

**THE GRAY'S INN
SCHOLARSHIPS TRUST**

**Financial Statements
for the year to
31 December 2022**

Registered Charity No. 313604

THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2022

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**THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2022**

Trustees' Report

Reference and Administrative Details, Trustees and Advisers

TRUSTEES	Philip Baker KC (resigned 31 December 2022) The Honourable Mrs Justice Nathalie Lieven Timothy Corner KC David Forsdick KC (appointed 1 st January 2023)
PRINCIPAL OFFICE	8 South Square Gray's Inn London WC1R 5ET
CHARITY REGISTRATION NO.	313604
GOVERNING INSTRUMENT	Charity Commission Scheme dated 2 nd May 1995
AUDITORS	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
SOLICITORS	Hunters 9 New Square Lincoln's Inn London WC2A 3QN
PRINCIPAL BANKERS	C Hoare & Co 37 Fleet Street London EC4P 4DQ
INVESTMENT MANAGERS	Willis Towers Watson MidCity Place 71 High Holborn London WC1V 6TP CCLA Investment Management Senator House 85 Queen Victoria Street London EC4V 4ET
SENIOR MANAGEMENT TEAM	Chief Executive : Stephen Cartwright Director of Finance : Dermot Doughty

Trustees' Report (Continued)

Structure, Governance and Management

The Gray's Inn Scholarships Trust ("the Trust") is a Charitable Trust registered with the Charity Commission. Trustees who acted throughout the year are disclosed on Page 3.

The Trustees are kept conversant with the law and the requirements of the Charity Commission, as required, by professional advisers.

The Trustees receive reports of the two key meetings of the Scholarships Committee. They approve the amount of money to be divided between the Common Professional Examination (CPE), Bar Course and pupillage awards and they approve the list of those who should receive scholarships. The selection is undertaken by other Masters of the Bench, members of Hall and staff of The Honourable Society of Gray's Inn ("the Society").

Trustees are selected by the Management Committee of The Society and their appointments are confirmed by Pension, the ultimate policy and decision making body of The Society. The day-to-day management of the Trust is delegated to the management staff of The Society and there are regular meetings of the Trustees.

Funds

The Hebe Plunkett Fund

The Hebe Plunkett Fund was initially registered with the Charity Commission as a separate charity but, with the approval of the Commission, it was transferred to this Trust on 31 December 2003.

The original governing document required that the income and, if considered proper by the Trustees in the light of exceptional circumstances, the capital should all be applied in advancing legal education by assisting persons with defective eyesight in the study of law in such manner as the Trustees thought fit and in particular (and without prejudice to the generality of the forgoing) by providing equipment in The Society's library.

To the extent that the income was not applied, it was to be accumulated for the 21 year period from 11 February 1989. The Trustees had discretion to spend the income so accumulated.

Following the expiry of the 21 year period of permitted accumulation on 11 February 2010, the Trustees have discretion to apply the income for such purposes of an educational nature connected with The Society to the extent that the specified original objective cannot be achieved.

The Trustees resolved at their meeting on 21 September 2010 that this fund should continue as a separate and discrete fund and the original objectives adhered to as far as possible.

The Sir Brian Smedley Fund

The income arising on the endowment is available as a scholarship open to members of The Society who are barristers of not more than one year's call, or students, and who are practising or intending to practice at the Bar of England and Wales. Preference is to be given to candidates practising or intending to practice on the Midland Circuit.

The Troy Fund (Beloff Essay Prize)

This fund is expendable and is to be applied in funding an annual essay prize in Administrative Law for those who are applying for pupillages.

The Bingham Fund

This is shown separately in an unrestricted fund while fund raising continues. It is hoped that if the fund reaches £1,500,000, 5 scholarships of £10,000 will be awarded annually in memory of the late Lord Bingham. A Bingham scholarship was awarded in 2022.

The Charnley award

This award is made, on merit, to a high potential candidate for the Graduate Diploma in Law.

Trustees' Report (Continued)

The Ann Goddard Fund

A total bequest of £1,503,833 is invested in a separate portfolio and the income arising therefrom is to be used to assist barristers during their pupillage with preference being given to those seeking to practice at the criminal bar.

Risk Review

The Trustees have assessed the major risks faced by the charity and keep them under review. All the operational activities of the Trust are undertaken by the Honourable Society of Gray's Inn and the Trustees rely on their risk control processes. Specific reference is made in these processes to the risk management requirements of the Trust. The key risks relate to the performance of the investment portfolio (see "Investment performance" in the Trustees Report for more detail) and the continuation of support from the Society. Trustees monitor these risks regularly by receiving updates from investment managers on the performance of the portfolio and maintaining regular dialogue with the Society.

Objectives and Activities

The principal charitable objective of the Trust is the advancement of education in the law for students and members of the Society and this is achieved by awarding scholarships to all with ability. To that end, scholarship interviews are held separately for those taking the CPE and Bar Course exams and those seeking pupillage awards following their Call to the Bar. Details of the grant policy and the scholarships are given below.

Grant Policy

The grant policy is to identify able students and to assist them to complete their studies and to be called to the Bar. In order to attract the brightest students to The Society, the awards made must be competitive with the other Inns of Court. The Scholarships Committee considers applications from students on an annual basis. These awards are available to cover each year of a student's study - the Common Professional Examination (CPE), the Bar Professional Training Course (BPTC) and during pupillage. In addition, there is a special fund within the charity, The Hebe Plunkett Fund, to provide additional assistance to handicapped students with a preference for those with a visual impairment.

Public Benefit

The Trustees confirm that they have considered the Charity Commission's guidance on public benefit. The Trust's sole activity is the awarding of scholarships to students to enable them to pursue careers as barristers. This function is delegated to the Scholarships Committee which is guided by a policy document designed to achieve and to demonstrate that all awards are made on non-discriminatory bases.

Information about the scholarships is made publicly available through The Society's website and the Scholarships Handbook which is issued to all new students or those interested in becoming students of The Society. Awards are monitored to ensure that the charitable objectives of the Trust are being achieved.

The public benefit derived from the Trust's activities is two-fold. Firstly it offers legal educational opportunities to all of ability irrespective of background, and secondly it helps to maintain the highest standards required and expected of the legal profession by members of the public.

**THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2022**

Trustees' Report (Continued)

Achievements and Performance in the year

Scholarship awards cover all or part of tuition and living costs. During the year the Trustees awarded scholarships to student members of The Society as follows:

	2022	2021
	£	£
Scholarships and prizes awarded (see note 4)	<u>£1,305,575</u>	<u>£1,287,625</u>
Number of scholarships and prizes awarded	134	134
Average value	<u>£9,743</u>	<u>£9,609</u>

The aggregate amount of scholarships awarded has increased slightly during the year reflecting the determination of the Trustees to ensure that sufficient funds are available to enable well qualified students to qualify as barristers.

Student Accommodation

Sixteen students are offered accommodation as a scholarship within the Inn for the duration of their course. Each student signs a tenancy agreement at a nil rent with the Society. The Trust pays a market related rent for the accommodation to the Society and this amount is included in the total of the value of the scholarships awarded in the year. The cost of this is borne by the Trust. The total amount paid under these arrangements in 2022 was £173k (2021: £172k).

Financial Review

The Statement of Financial Activities on page 12 discloses the following –

	2022	2021
	£	£
Income received	2,213,093	397,832
Expenditure incurred	<u>(1,271,081)</u>	<u>(1,234,972)</u>
	942,012	(837,140)
Gains / (Losses) on investments	<u>(1,240,606)</u>	<u>1,185,987</u>
Surplus/ (Deficit) for the year	<u>£(298,594)</u>	<u>£348,847</u>

Income received is significantly in excess of 2021 largely because the annual grant from the Society was resumed in 2022 after two years where it had been discontinued in favour of a loan. The grant amounted to £600k. In addition the Society agreed to treat the loans advanced to the Trust in 2020 and 2021 (£1.2m in total) as a donation.

Expenditure incurred, which shows a small increase, is mainly the net amount of scholarships paid after allowing for scholarships not taken up.

There were significant losses on investments reflecting the very difficult market conditions towards the end of the year.

The funds available as at 31 December amounted to:

	2022	2021
	£	£
Unrestricted Funds	7,794,352	6,983,941
Restricted Funds	92,636	123,003
Endowment Funds	<u>9,966,528</u>	<u>9,627,937</u>
	<u>£17,853,516</u>	<u>£16,734,881</u>

Trustees' Report (Continued)

Investment Performance

Details of investments are given in Note 8. The Goddard legacy (amounting to £1.7m at the end of 2022) is invested in a separate account within the Charites Investment Fund ("COIF") managed by CCLA.

There is a further investment in COIF amounting to £4.3m at the end of 2022. This is an investment of part of the Trust's endowment.

Funds with WillisTowersWatson ("WTW") amounted to £10.6m at the end of 2022 and are invested with the aim achieving real returns of at least 5% pa averaged over five year rolling periods with half the volatility of equity markets. 2022 saw a reduction in fund value, compared to the opening balance, of 3.6%.

The medium term intention is to invest all the endowment reserves of the Trust in COIF with the unrestricted and restricted reserves being invested in WTW. This policy, which is driven by the fact that COIF gives a regular income whilst WTW generates capital growth only, is gradually being implemented over a number of years. The income generated by COIF assets in 2022 represented a 3% return on the opening balances held. There was a 12% loss in the year end valuation.

The Trust liquidated £1.1m of assets from the WTW fund in June. This was part of the policy of transferring endowment funds to COIF. Given the fragility of investment markets the funds were retained on fixed term bank deposit rather than being invested in COIF.

Reserves Policy

The reserves policy is to retain sufficient funding to establish a strong investment portfolio to ensure continuity and certainty in providing future awards. As at 31 December 2022 total reserves were £17.8m, of which £10.0m was endowed for specific purposes and held in investments to generate an income out of which grants will be made in future periods. A further £0.1m was restricted for specific purposes and the remaining £7.7m was unrestricted, but held in investments. Trustees are content that the current level of reserves are sufficient to meet existing strategic plans of the Charity. The unrestricted reserves are sufficient to cover over five years of expenditure on scholarships at existing levels.

Investment Powers and Policy

The Trustees have broad powers of investment. The policy is to preserve and grow the real value of the portfolio over the longer term.

Plans for Future Periods

The continuing aim remains to give scholarships to able students, irrespective of background, to enable them to achieve careers as barristers. To effect this the Trust works closely with the Society and the Honourable Society of Gray's Inn Charitable Trust to ensure that processes for the award of Scholarships are fair and in accordance with the charitable objectives of the Trust

In 2024 it is intended that the Trustees make an annual grant to the Society to enable the payment of scholarships rather than paying students directly.

Trustees' Report (Continued)

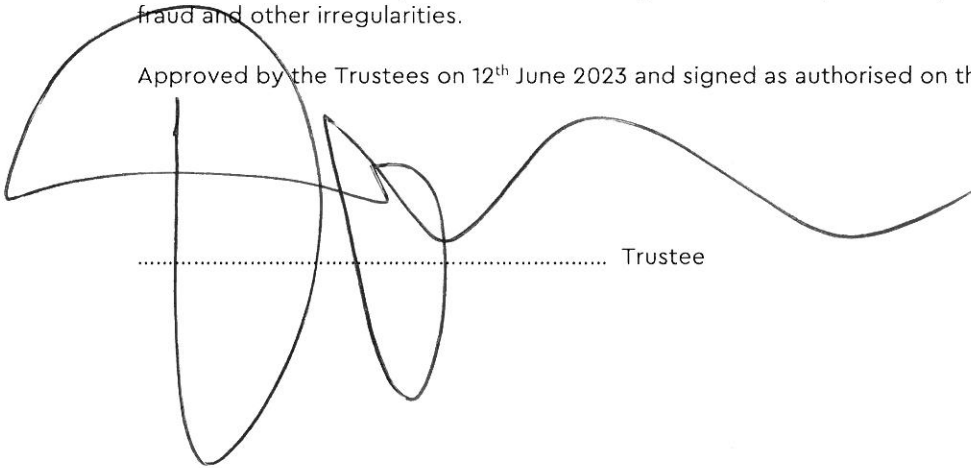
Statement of Trustees' Responsibilities

The Trustees are required to prepare, for each financial year, financial statements which observe the principles and methods of the Charities SORP and which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that this basis applies.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with statutory requirements. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees on 12th June 2023 and signed as authorised on their behalf by:



..... Trustee

Independent auditor's report to the trustees of The Gray's Inn Scholarships Trust

Opinion

We have audited the financial statements of The Gray's Inn Scholarships Trust for the year ended 31 December 2022 which comprise Statement of Financial Activities, Balance Sheet, cash flow statement 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, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2022 and of 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.

Independent auditor's report to the trustees of The Gray's Inn Scholarships Trust (Cont'd)

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 8, 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:

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 compliance with the Charity SORP in the preparation of the accounts and fund accounting, 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 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 there were no such risks.

Our procedures included the following:

- Inspecting correspondence with regulators and tax authorities, and minutes of trustee meetings;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud both at planning and at completion;
- Evaluating management's controls designed to prevent and detect irregularities;
- Sample testing the allocation of expenditure to restricted funds;
- Identifying and testing journals process by management in the preparation of the financial statements; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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.

Independent auditor's report to the trustees of The Gray's Inn Scholarships Trust (Cont'd)

Use of our 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 LLi

Haysmacintyre LLP
10 Queen Street Place
Statutory Auditors London
EC4R 1AG

Date: 1 August 2023

THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2022

STATEMENT OF FINANCIAL ACTIVITIES

		Unrestricted Funds	Restricted Funds	Endowment Funds	2022 Total	2021 Total
	Notes	£	£	£	£	£
INCOME AND ENDOWMENTS FROM:						
Donations and legacies	2	2,017,751	10,000	-	2,027,751	297,605
Investments	3	129,617	52,829	-	182,446	200,131
Bank Interest		2,895	-	-	2,895	-
Total		<u>2,150,264</u>	<u>62,829</u>	<u>-</u>	<u>2,213,093</u>	<u>497,736</u>
EXPENDITURE ON:						
Charitable activities						
Education of law students	4	1,176,125	89,650	-	1,265,775	1,247,275
Other	5	5,306	-	-	5,306	4,794
Total		<u>1,181,431</u>	<u>89,650</u>	<u>-</u>	<u>1,271,081</u>	<u>1,252,069</u>
NET INCOMING RESOURCES		968,833	(26,821)	-	942,012	(754,333)
Net (losses)/gains on investments	8	(272,822)	(1,618)	(966,166)	(1,240,606)	2,171,562
NET INCOME/EXPENDITURE		<u>696,011</u>	<u>(28,439)</u>	<u>(966,166)</u>	<u>(298,594)</u>	<u>1,417,229</u>
RECONCILIATION OF FUNDS						
Total Funds brought forward		7,098,341	121,075	10,932,694	18,152,110	16,734,881
TOTAL FUNDS CARRIED FORWARD		<u>£7,794,352</u>	<u>£92,636</u>	<u>£9,966,528</u>	<u>£17,853,516</u>	<u>£18,152,110</u>

There were no recognised gains or losses other than those shown in the above Statement of Financial Activities.

The notes on page 15 – 21 form part of the financial statements.

**THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2022**

THE GRAY'S INN SCHOLARSHIPS TRUST

BALANCE SHEET AT 31 DECEMBER 2022

		2022		2021	
	Notes	£	£	£	£
FIXED ASSETS					
Investments	8		16,690,331		19,054,671
CURRENT ASSETS					
Cash and Bank deposits		1,073,432		183,362	
Debtors	9	183,353		175,277	
		1,256,785		358,639	
CREDITORS:					
Sundry creditors	10	(93,600)		(61,200)	
Borrowing from Gray's Inn	11	-		(1,200,000)	
		(93,600)		(1,261,200)	
NET CURRENT (LIABILITIES) / ASSETS			1,163,185		(902,561)
NET ASSETS			<u>£ 17,853,516</u>		<u>£ 18,152,110</u>
FUNDS					
Unrestricted	13		7,794,352		7,098,341
Restricted	13		92,636		121,075
Endowments	13		9,966,528		10,932,694
			<u>£17,853,516</u>		<u>£18,152,110</u>

Approved by the Trustees on 12th June 2023 and signed as authorised on their behalf by:

Trustee:.....

THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2022

THE GRAY'S INN SCHOLARSHIPS TRUST

CASH FLOW STATEMENT

	2022	2021
	£	£
Net movement in funds	(298,594)	1,417,229
Deduct : investment gains	1,240,606	(2,171,562)
Deduct: investment income shown in investing activities	(182,446)	(200,131)
(Increase)/decrease in debtors	(8,076)	(45,277)
Increase/(decrease) in creditors	32,400	(20,786)
Net cash provided by operating activities	783,890	(1,020,527)
Cash flows from investing activities		
Investment income	182,446	200,131
Withdrawals from investments	1,123,734	279,938
	1,306,180	480,069
Cash flows from financing activities		
Short term Loan from Gray's Inn	(1,200,000)	600,000
Increase in cash and cash equivalents in the year	890,070	59,592
Cash and cash equivalents at the start of the year	183,362	123,771
Total cash and cash equivalents at the end of the year	£1,073,432	£183,362

Notes to the Accounts

1. ACCOUNTING POLICIES

(a) General Information

The Gray's Inn Scholarships Trust is a UK Based Charitable Trust registered with the Charity Commission. Its registered address is Treasury Office, 8 South Square, Gray's Inn, London WC1R 5ET.

(b) Basis of preparation and assessment of going concern

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 (Second edition – October 2019) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Trust constitutes a public benefit entity as defined by FRS 102.

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

In preparation of the accounts there are estimates relating to prepayments and accruals which are non-complex in nature. None of the estimates are material to the accounts.

(c) Income

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

(d) Donations and Legacies

Donations and legacies are recognised when there is entitlement to the income, receipt is probable and the amount can be measured reliably.

(e) Scholarships

Scholarships are accounted for as they are awarded.

(f) Investments

Investments are stated at market value. Realised and unrealised gains and losses during the year are taken to the Statement of Financial Activities.

(g) Funds

Unrestricted funds are donations and other incoming resources to be applied in meeting the broad objects of the charity. Restricted funds represent the unexpended income to be applied for specific purposes. Endowment funds (unless expendable in specified circumstances) are not to be spent but retained to preserve the capital value of the original bequests.

(h) Expenditure

The expenditure of the Trust is directly allocated to the charitable activity to which it relates or to the governance of the Trust.

(i) Financial Instruments

The Trust only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

(j) Creditors

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2022

Notes to the Accounts (Continued)

(k) Debtors

Short term debtors are measured at the transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

(l) Provisions

Provisions are made where an event has taken place that gives the Trust a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation. Provisions are charged as an expense to the Statement of Financial Activities in the year that the Society becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2. DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 Total £
General Donations and legacies	191,728	10,000	-	201,728
Bingham Appeal	26,023	-	-	26,023
Hon Soc of Gray's Inn	1,800,000	-	-	1,800,000
	<u>£2,017,751</u>	<u>10,000</u>	<u>-</u>	<u>£2,027,751</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total £
General Donations and legacies	186,802	-	-	186,802
Bingham Appeal	38,132	-	-	38,132
Hon Soc of Gray's Inn	-	-	-	-
	<u>£224,934</u>	<u>-</u>	<u>-</u>	<u>£224,934</u>

3. INCOME FROM INVESTMENTS

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 Total £
Investment portfolio	<u>£129,617</u>	<u>£52,829</u>	<u>-</u>	<u>£182,446</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total £
Investment portfolio	<u>£135,951</u>	<u>£64,180</u>	<u>-</u>	<u>£200,131</u>

THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2022

Notes to the Accounts (Continued)

4. CHARITABLE EXPENDITURE

The Trust employs no members of staff and hence there are no staff costs or key management personnel costs to disclose.

	2022 £	2021 £
Scholarships awarded for the education of law students		
General Fund		
Unrestricted Fund	1,205,925	1,179,440
Awards not taken and written back	(39,800)	(40,350)
	1,166,125	1,139,090
Bingham Fund	10,000	13,300
Charnley Fund	13,000	15,000
Mustill Fund	-	4,150
Hebe Plunkett Fund	4,650	4,735
Ann Goddard Fund	71,000	70,000
The Troy Trust (Beloff Essay Prize)	1,000	1,000
	<u>£1,265,775</u>	<u>£1,247,275</u>
Total scholarships awarded in year	1,305,575	1,287,625
Awards not taken and written back	(39,800)	(40,350)
Net cost of scholarships awarded in year	<u>£1,265,775</u>	<u>£1,247,275</u>

Included in the above is the sum of £173,431 (2021 £172,740) representing the rental paid by the Trust to the Society for rental of accommodation offered to students who were awarded residential scholarships.

Other than Residential awards all scholarships are made directly to individuals. No grants are made to Institutions.

5. OTHER COSTS

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 Total £
Audit Fees and Bank Charges	5,306	-	-	5,306
	<u>£5,306</u>	<u>-</u>	<u>-</u>	<u>£5,306</u>
	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total £
Audit Fees and Bank Charges	4,794	-	-	4,794
	<u>£4,794</u>	<u>-</u>	<u>-</u>	<u>£4,794</u>

The Trust receives support services donated by The Society. These relate entirely to its sole charitable activity; the education of law students. It is not practicable to quantify the value of donated services with any degree of precision. On the basis that the value is likely to be immaterial, a value of nil has been ascribed to the donated services in these accounts

THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2022

Notes to the Accounts (Continued)

6. TRUSTEES' REMUNERATION AND RELATED PARTY TRANSACTIONS

During the year no trustee received any remuneration or expenses (2021: nil). There were no related party transactions in the year (2021: nil)

7. TAXATION

The Trust is a registered charity and its income and gains are exempt from taxation.

8. INVESTMENTS

	2022 £	2021 £
<u>INVESTMENTS HELD WITH WTW</u>		
Market value at 1 January	12,177,175	11,888,564
Capital introduced/(withdrawn)	(1,123,734)	(1,129,938)
Investment gains/ (losses)	(441,065)	1,418,549
Market value at 31 December	<u>£10,612,376</u>	<u>£12,177,175</u>
Cost at 31 December	<u>£4,333,413</u>	<u>£4,793,239</u>
<u>INVESTMENTS HELD WITH COIF (GENERAL FUND)</u>		
Market value at 1 January	4,915,037	3,553,347
Capital introduced/(withdrawn)	-	850,000
Investment gains/ (losses)	(571,396)	511,690
Market value at 31 December	<u>£4,343,641</u>	<u>£4,915,037</u>
Cost at 31 December	<u>£4,150,000</u>	<u>£4,150,000</u>
<u>INVESTMENTS HELD WITH COIF (GODDARD)</u>		
Market value at 1 January	1,962,459	1,721,137
Capital introduced/(withdrawn)	-	-
Investment gains/ (losses)	(228,145)	241,323
Market value at 31 December	<u>£1,734,314</u>	<u>£1,962,459</u>
Cost at 31 December	<u>£1,570,573</u>	<u>£1,570,573</u>
<u>TOTAL INVESTMENTS</u>		
Market value at 1 January	19,054,671	17,163,047
Capital introduced/(withdrawn)	(1,123,734)	(279,938)
Investment gains/ (losses)	(1,240,606)	2,171,562
Market value at 31 December	<u>£16,690,331</u>	<u>£19,054,671</u>
Cost at 31 December	<u>£10,053,986</u>	<u>£10,513,813</u>

THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2022

Notes to the Accounts (Continued)

9. DEBTORS

	2022 £	2021 £
Accrued income	183,353	175,277
	<u>£183,353</u>	<u>£175,277</u>

10. CREDITORS

	2022 £	2021 £
Scholarships awarded but not yet paid	89,500	57,600
Audit fee	4,100	3,600
	<u>£93,600</u>	<u>£61,200</u>

11. SHORT TERM LOAN

In 2020 and 2021 the Trust borrowed a total of £1.2m from the Society. The loan was unsecured, interest free and was re-payable on three months notice. In these two years the Society did not make its annual grant to the Trust. In February 2023 the Society agreed to write off the loan and to treat the funds paid as a donation to the Trust.

12. FINANCIAL INSTRUMENTS

	2022 £	2021 £
Financial Assets		
Financial Assets measured at amortised cost	<u>£183,353</u>	<u>£175,277</u>
Financial Liabilities		
Financial Liabilities measured at amortised cost	<u>£93,600</u>	<u>£61,200</u>

Financial assets comprise accrued income and sundry debtors. Financial liabilities comprise accruals and sundry creditors.

THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2022

Notes to the Accounts (Continued)

13. ANALYSIS OF UNRESTRICTED, RESTRICTED AND ENDOWMENT FUNDS

The movement of funds during the year is as detailed below:

	1 January 2022 £	Incoming Resources £	Resources Expended £	Investment Gains / (Losses) £	31 December 2022 £
Unrestricted Fund					
General	5,818,951	2,094,351	(1,171,431)	(223,649)	6,518,222
The Bingham Fund	1,279,390	55,913	(10,000)	(49,173)	1,276,131
Total Unrestricted	<u>7,098,341</u>	<u>2,150,264</u>	<u>(1,181,431)</u>	<u>(272,822)</u>	<u>7,794,352</u>
Restricted					
Stephen Silber Fund	898	16	-	(35)	880
The Charnley Fund	5,921	10,108	(13,000)	(228)	2,802
Hebe Plunkett Fund	29,553	540	(4,650)	(1,136)	24,307
The Mustill Fund	-	-	-	-	-
Sir Brian Smedley Fund	348	6	-	(13)	341
Troy Fund/Beloff Prize	5,378	98	(1,000)	(207)	4,269
Ann Goddard Fund	78,977	52,060	(71,000)	-	60,037
Total Restricted	<u>121,075</u>	<u>62,829</u>	<u>(89,650)</u>	<u>(1,618)</u>	<u>92,636</u>
Endowment					
General	8,466,363	-	-	(696,801)	7,769,562
Hebe Plunkett Fund	472,611	-	-	(38,897)	433,714
Sir Brian Smedley Fund	28,230	-	-	(2,323)	25,906
Ann Goddard Fund	1,965,490	-	-	(228,145)	1,737,345
Total Endowment	<u>10,932,694</u>	<u>-</u>	<u>-</u>	<u>(966,167)</u>	<u>9,966,528</u>
Total Funds	<u>18,152,110</u>	<u>2,213,093</u>	<u>(1,271,081)</u>	<u>(1,240,606)</u>	<u>17,853,516</u>
Analysis of Net Assets between Funds as at 31 December 2022					
	Unrestricted Fund	Restricted Funds	Endowment Funds	Total Assets	
Investments	6,694,236	32,599	9,963,497	16,690,331	
Net Current Assets	1,100,117	60,037	3,031	1,163,184	
	<u>£7,794,352</u>	<u>£92,636</u>	<u>£9,966,528</u>	<u>£17,853,516</u>	

The Endowment Fund of the General Fund arose from various legacies and donations and represents a permanent endowment. The Unrestricted Fund is to be applied to meet the charitable objectives of the Trust. The purposes of the various funds are outlined in more detail in the Trustee's Report.

THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2022

Notes to the Accounts (Continued)

13. ANALYSIS OF UNRESTRICTED, RESTRICTED AND ENDOWMENT FUNDS (Continued)

The movement of funds during the prior year is as detailed below:

	1 January 2021 £	Incoming Resources £	Resources Expended £	Investment Gains / (Losses) £	31 December 2021 £
Unrestricted Fund					
General	5,892,056	343,396	(1,143,884)	727,383	5,818,951
The Bingham Fund	1,091,886	66,010	(13,300)	134,795	1,279,390
Total Unrestricted	<u>6,983,941</u>	<u>409,406</u>	<u>(1,157,184)</u>	<u>862,178</u>	<u>7,098,341</u>
Restricted					
Stephen Silber Fund	786	15	-	97	898
The Charnley Fund	806	20,016	(15,000)	100	5,921
Hebe Plunkett Fund	30,000	584	(4,735)	3,704	29,553
The Mustill Fund	-	4,150	(4,150)	-	-
Sir Brian Smedley Fund	305	6	-	38	348
Troy Fund/Beloff Prize	5,580	109	(1,000)	689	5,378
Ann Goddard Fund	85,526	63,451	(70,000)	-	78,977
Total Restricted	<u>123,003</u>	<u>88,330</u>	<u>(94,885)</u>	<u>4,627</u>	<u>121,075</u>
Endowment					
General	7,462,324	-	-	1,004,039	8,466,363
Hebe Plunkett Fund	416,563	-	-	56,048	472,611
Sir Brian Smedley Fund	24,882	-	-	3,348	28,230
Ann Goddard Fund	1,724,168	-	-	241,323	1,965,490
Total Endowment	<u>9,627,937</u>	<u>-</u>	<u>-</u>	<u>1,304,757</u>	<u>10,932,694</u>
Total Funds	<u>16,734,881</u>	<u>497,736</u>	<u>(1,252,069)</u>	<u>2,171,562</u>	<u>18,152,110</u>
Analysis of Net Assets between Funds as at 31 December 2021					
Investments		Unrestricted Fund	Restricted Funds	Endowment Funds	Total Assets
Net Current Assets		8,082,910	42,098	10,929,663	19,054,671
		(984,569)	78,977	3,031	(902,561)
		<u>£7,098,341</u>	<u>£121,075</u>	<u>£10,932,694</u>	<u>£18,152,110</u>

THE GRAY'S INN SCHOLARSHIPS TRUST

England & Wales - Charity number 313604

Accounts

**THE GRAY'S INN
SCHOLARSHIPS TRUST**

Financial Statements

for the year to

31 December 2021

Registered Charity No. 313604

**THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2021**

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**THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2021**

Trustees' Report

Reference and Administrative Details, Trustees and Advisers

TRUSTEES	Philip Baker QC The Hon Nathalie Lieven Timothy Corner QC
PRINCIPAL OFFICE	8 South Square Gray's Inn London WC1R 5ET
CHARITY REGISTRATION NO.	313604
GOVERNING INSTRUMENT	Charity Commission Scheme dated 2 nd May 1995
AUDITORS	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
SOLICITORS	Hunters 9 New Square Lincoln's Inn London WC2A 3QN
PRINCIPAL BANKERS	C Hoare & Co 37 Fleet Street London EC4P 4DQ
INVESTMENT MANAGERS	Willis Towers Watson MidCity Place 71 High Holborn London WC1V 6TP CCLA Investment Management Senator House 85 Queen Victoria Street London EC4V 4ET
SENIOR MANAGEMENT TEAM	Chief Executive : Antony Harking Director of Finance : Dermot Doughty

**THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2021**

Trustees' Report (Continued)

Structure, Governance and Management

The Gray's Inn Scholarships Trust ("the Trust") is a Charitable Trust registered with the Charity Commission. Trustees who acted throughout the year are disclosed on Page 3.

The Trustees are kept conversant with the law and the requirements of the Charity Commission, as required, by professional advisers.

The Trustees receive reports of the two key meetings of the Scholarships Committee. They approve the amount of money to be divided between the Common Professional Examination (CPE), Bar Course and pupillage awards and they approve the list of those who should receive scholarships. The selection is undertaken by other Masters of the Bench, members of Hall and staff of The Honourable Society of Gray's Inn ("the Society").

Trustees are selected by the Management Committee of The Society and their appointments are confirmed by Pension, the ultimate policy and decision making body of The Society. The day-to-day management of the Trust is delegated to the management staff of The Society and there are regular meetings of the Trustees.

Funds

The Hebe Plunkett Fund

The Hebe Plunkett Fund was initially registered with the Charity Commission as a separate charity but, with the approval of the Commission, it was transferred to this Trust on 31 December 2003.

The original governing document required that the income and, if considered proper by the Trustees in the light of exceptional circumstances, the capital should all be applied in advancing legal education by assisting persons with defective eyesight in the study of law in such manner as the Trustees thought fit and in particular (and without prejudice to the generality of the forgoing) by providing equipment in The Society's library.

To the extent that the income was not applied, it was to be accumulated for the 21 year period from 11 February 1989. The Trustees had discretion to spend the income so accumulated.

Following the expiry of the 21 year period of permitted accumulation on 11 February 2010, the Trustees have discretion to apply the income for such purposes of an educational nature connected with The Society to the extent that the specified original objective cannot be achieved.

The Trustees resolved at their meeting on 21 September 2010 that this fund should continue as a separate and discrete fund and the original objectives adhered to as far as possible.

The Sir Brian Smedley Fund

The income arising on the endowment is available as a scholarship open to members of The Society who are barristers of not more than one year's call, or students, and who are practising or intending to practice at the Bar of England and Wales. Preference is to be given to candidates practising or intending to practice on the Midland Circuit.

The Troy Fund (Beloff Essay Prize)

This fund is expendable and is to be applied in funding an annual essay prize in Administrative Law for those who are applying for pupillages.

The Bingham Fund

This is shown separately in an unrestricted fund while fund raising continues. It is hoped that if the fund reaches £1,500,000, 5 scholarships of £10,000 will be awarded annually in memory of the late Lord Bingham. A Bingham scholarship was awarded in 2021.

The Charnley award

This award is made, on merit, to a high potential candidate for the Graduate Diploma in Law.

**THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2021**

Trustees' Report (Continued)

The Ann Goddard Fund

A total bequest of £1,503,833 is invested in a separate portfolio and the income arising therefrom is to be used to assist barristers during their pupillage with preference being given to those seeking to practice at the criminal bar.

Risk Review

The Trustees have assessed the major risks faced by the charity and keep them under review. All the operational activities of the Trust are undertaken by the Honourable Society of Gray's Inn and the Trustees rely on their risk control processes. Specific reference is made in these processes to the risk management requirements of the Trust. The key risks relate to the performance of the investment portfolio (see "Investment performance" in the Trustees Report for more detail) and the continuation of support from the Society. Trustees monitor these risks regularly by receiving updates from investment managers on the performance of the portfolio and maintaining regular dialogue with the Society. The impact of the Coronavirus pandemic on the Trust is discussed in the "Investment Performance" and "Plans for the Future" sections of this report.

Objectives and Activities

The principal charitable objective of the Trust is the advancement of education in the law for students and members of the Society and this is achieved by awarding scholarships to all with ability. To that end, scholarship interviews are held separately for those taking the CPE and Bar Course exams and those seeking pupillage awards following their Call to the Bar. Details of the grant policy and the scholarships are given below.

Grant Policy

The grant policy is to identify able students and to assist them to complete their studies and to be called to the Bar. In order to attract the brightest students to The Society, the awards made must be competitive with the other Inns of Court. The Scholarships Committee considers applications from students on an annual basis. These awards are available to cover each year of a student's study - the Common Professional Examination (CPE), the Bar Professional Training Course (BPTC) and during pupillage. In addition, there is a special fund within the charity, The Hebe Plunkett Fund, to provide additional assistance to handicapped students with a preference for those with a visual impairment.

Public Benefit

The Trustees confirm that they have considered the Charity Commission's guidance on public benefit. The Trust's sole activity is the awarding of scholarships to students to enable them to pursue careers as barristers. This function is delegated to the Scholarships Committee which is guided by a policy document designed to achieve and to demonstrate that all awards are made on non-discriminatory bases.

Information about the scholarships is made publicly available through The Society's website and the Scholarships Handbook which is issued to all new students or those interested in becoming students of The Society. Awards are monitored to ensure that the charitable objectives of the Trust are being achieved.

The public benefit derived from the Trust's activities is two-fold. Firstly it offers legal educational opportunities to all of ability irrespective of background, and secondly it helps to maintain the highest standards required and expected of the legal profession by members of the public.

**THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2021**

Trustees' Report (Continued)

Achievements and Performance in the year

Scholarship awards cover all or part of tuition and living costs. During the year the Trustees awarded scholarships to student members of The Society as follows:

	2021	2020
	£	£
Scholarships and prizes awarded (see note 4)	<u>£1,287,625</u>	<u>£1,271,161</u>
Number of scholarships and prizes awarded	134	132
Average value	<u>£9,609</u>	<u>£9,630</u>

The aggregate amount of Scholarships awarded has increased slightly during the year reflecting the determination of the Trustees to ensure that sufficient funds are available to enable well qualified students to qualify as barristers.

Student Accommodation

Sixteen students are offered accommodation as a scholarship within the Inn for the duration of their course. Each student signs an eleven month Assured Shorthold Tenancy agreement at a nil rent with the Society. The Scholarships Trust pays a market related rent for the accommodation to the Society and this amount is included in the total of the value of the scholarships awarded in the year. The cost of this is borne by the Trust. The total amount paid under these arrangements in 2021 was £172k.

Financial Review

The Statement of Financial Activities on page 12 discloses the following -

	2021	2020
	£	£
Income received	497,736	397,832
Expenditure incurred	<u>(1,252,069)</u>	<u>(1,234,972)</u>
Net cash generated/(spent)	(754,333)	(837,140)
Gains/(Losses) on investments	<u>2,171,562</u>	<u>1,185,987</u>
Surplus for the year	<u>£1,417,229</u>	<u>£348,847</u>

Income received is significantly below the long term trend as the the Gray's Inn Charitable Trust has ceased its annual grant for both 2020 and 2021.

The funds available as at 31 December amounted to:

	2021	2020
	£	£
Unrestricted Funds	7,098,341	6,983,941
Restricted Funds	121,075	123,003
Endowment Funds	<u>10,932,694</u>	<u>9,627,937</u>
	<u>£18,152,110</u>	<u>£16,734,881</u>

Despite the elimination of the annual grant from the Gray's Inn Charitable Trust the Trust saw a net increase in the value of its funds largely because of a large increase in the value of its investments.

To compensate for the reduced Grant from the Charitable Trust the Trustees borrowed £600k from the Society. This loan is interest free and repayable with three months notice. This policy enabled the Trust to maintain level of Scholarships whilst minimising the need to liquidate high performing investments.

**THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2021**

Trustees' Report (Continued)

Investment Performance

Details of investments are given in Note 8. The Goddard legacy (amounting to £2.0m at the end of 2021) is invested in a separate account within the Charites Investment Fund ("COIF") managed by CCLA.

There is a further investment in COIF amounting to £4.9m at the end of 2021. This is an investment of part of the Trust's endowment.

Funds with WillisTowersWatson ("WTW") amounted to £12.2m at the end of 2021 and are invested with the aim achieving real returns of at least 5% pa averaged over five year rolling periods with half the volatility of equity markets.

The medium term intention is to invest all the endowment reserves of the Trust in COIF with the unrestricted and restricted reserves being invested in WTW. This policy, which is driven by the fact that COIF gives a regular income whilst WTW generates capital growth only, is gradually being implemented over a number of years. The income generated by COIF assets in 2021 represented a 3.0% return on the opening balances held.

Financial markets had a strong year and the Trust's investments performed very well with a capital gain of £2.2m (12.7% of the opening balance).

Reserves Policy

It is the long term aim to preserve the real value of the awards made together with a reducing dependence on the fluctuating sums that the Society is able to provide. Thus, the reserves policy is to retain sufficient funding to establish a strong investment portfolio to ensure continuity and certainty in providing future awards. As at 31 December 2021 total reserves were £18.0m, of which £10.9m was endowed for specific purposes and held in investments to generate an income out of which grants will be made in future periods. A further £0.1m was restricted for specific purposes and the remaining £6.9m was unrestricted, but held in investments. Trustees are content that the current level of reserves are sufficient to meet existing strategic plans of the Charity.

Investment Powers and Policy

The Trustees have broad powers of investment. The policy is to preserve and grow the real value of the portfolio over the longer term.

Plans for Future Periods

The continuing aim remains to give scholarships to able students, irrespective of background, to enable them to achieve careers as barristers

The Trust has received substantial grants from the Charitable Trust over many years and this has contributed to the creation of financial reserves in addition to the payment of scholarships. As a result of the pandemic the Society has adopted a cautious policy in respect of its charitable funding and has reduced the annual grant to the Charitable Trust and, by extension, to the Trust. The Trustees have borrowed funds from the Society in order to realise its financial goals in 2021. The Society has agreed, in principle, to resume significant donations to the Trust in 2022 and beyond. Future donations to the Trust will be paid directly by the Society rather than via the Charitable Trust. The Trustees envisage scholarships continuing at current or improved levels for the foreseeable future.

The process for awarding scholarships to students starting their courses in September 2021 has not been impeded by the Coronavirus pandemic and the aggregate amount of Scholarships awarded is in line with amounts budgeted.

Trustees' Report (Continued)

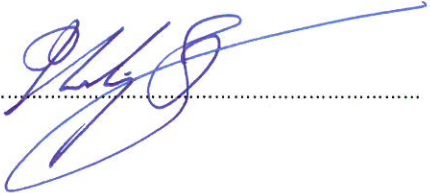
Statement of Trustees' Responsibilities

The Trustees are required to prepare, for each financial year, financial statements which observe the principles and methods of the Charities SORP and which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that this basis applies.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with statutory requirements. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees on 1st July 2022 and signed as authorised on their behalf by:


..... Trustee

Independent auditor's report to the trustees of The Gray's Inn Scholarships Trust

Opinion

We have audited the financial statements of The Gray's Inn Scholarships Trust for the year ended 31 December 2021 which comprise Statement of Financial Activities, Balance Sheet, cash flow statement 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, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of 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.

Independent auditor's report to the trustees of The Gray's Inn Scholarships Trust (Cont'd)

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 8, 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:

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 compliance with the Charity SORP in the preparation of the accounts and fund accounting, 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 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 there were no such risks.

Our procedures included the following:

- Inspecting correspondence with regulators and tax authorities, and minutes of trustee meetings;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud both at planning and at completion;
- Evaluating management's controls designed to prevent and detect irregularities;
- Sample testing the allocation of expenditure to restricted funds;
- Identifying and testing journals process by management in the preparation of the financial statements; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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

**THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2021**

Independent auditor's report to the trustees of The Gray's Inn Scholarships Trust (Cont'd)

Use of our 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
10 Queen Street Place
Statutory Auditors London
EC4R 1AG**

Date: 04 July 2022

THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2021

STATEMENT OF FINANCIAL ACTIVITIES

		Unrestricted Funds	Restricted Funds	Endowment Funds	2021 Total	2020 Total
	Notes	£	£	£	£	£
INCOME AND ENDOWMENTS FROM:						
Donations and legacies	2	273,455	24,150	-	297,605	275,747
Investments	3	135,951	64,180	-	200,131	122,085
Total		<u>409,406</u>	<u>88,330</u>	<u>-</u>	<u>497,736</u>	<u>397,832</u>
EXPENDITURE ON:						
Charitable activities						
Education of law students	4	1,152,390	94,885	-	1,247,275	1,230,561
Other	5	<u>4,794</u>	<u>-</u>	<u>-</u>	<u>4,794</u>	<u>4,411</u>
Total		<u>1,157,184</u>	<u>94,885</u>	<u>-</u>	<u>1,252,069</u>	<u>1,234,972</u>
NET INCOMING RESOURCES		(747,778)	(6,555)	-	(754,333)	(837,140)
Net (losses)/gains on investments	6	862,178	4,627	1,304,757	2,171,562	1,185,987
NET INCOME/EXPENDITURE		<u>114,399</u>	<u>(1,928)</u>	<u>1,304,757</u>	<u>1,417,229</u>	<u>348,847</u>
RECONCILIATION OF FUNDS						
Total Funds brought forward		6,983,942	123,003	9,627,937	16,734,881	16,386,034
TOTAL FUNDS CARRIED FORWARD		<u><u>£7,098,341</u></u>	<u><u>£121,075</u></u>	<u><u>£10,932,694</u></u>	<u><u>£18,152,110</u></u>	<u><u>£16,734,881</u></u>

There were no recognised gains or losses other than those shown in the above Statement of Financial Activities.

The notes on page 13 – 21 form part of the financial statements.

THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2021

BALANCE SHEET AT 31 DECEMBER 2021

	Notes	2021		2020	
		£	£	£	£
FIXED ASSETS					
Investments	8		19,054,671		17,163,047
CURRENT ASSETS					
Cash and deposits in transit		183,362		123,770	
Debtors	9	175,277		130,050	
		358,639		253,820	
CREDITORS:					
Sundry creditors	10	(61,200)		(81,986)	
Borrowing from Gray's Inn	11	(1,200,000)		(600,000)	
		(1,261,200)		(681,986)	
NET CURRENT (LIABILITIES) / ASSETS			(902,561)		(428,166)
NET ASSETS			<u>£18,152,110</u>		<u>£16,734,881</u>
FUNDS					
Unrestricted	12		7,098,341		6,983,941
Restricted	12		121,075		123,003
Endowments	12		10,932,694		9,627,937
			<u>£18,152,110</u>		<u>£16,734,881</u>

Approved by the Trustees on 1st July 2022 and signed as authorised on their behalf by:

Trustee:



**THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2021**

CASH FLOW STATEMENT

	2021	2020
	£	£
Net movement in funds	1,417,229	348,847
Deduct : investment gains	(2,171,562)	(1,185,987)
Deduct: investment income shown in investing activities	(200,131)	(122,085)
Increase in current account with Gray's inn	-	(50)
(Increase)/decrease in debtors	(45,277)	45,700
Decrease in creditors	(20,786)	(44,014)
Net cash provided by operating activites	(1,020,527)	(957,589)
Cash flows from investing activities		
Investment income	200,131	122,085
Withdrawals from investments	279,938	204,073
	480,069	326,158
Cash flows from financing activities		
Short term Loan from Gray's Inn	600,000	600,000
(Decrease)/Increase in cash and cash equivalentents in the year	59,592	(31,431)
Cash and cash equivalentents at the start of the year	123,771	155,202
Total cash and cash equivalentents at the end of the year	£183,362	£123,771

**THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2021**

Notes to the Accounts

1. ACCOUNTING POLICIES

(a) General Information

The Gray's Inn Scholarships Trust is a UK Based Charitable Trust registered with the Charity Commission. Its registered address is Treasury Office, 8 South Square, Gray's Inn, London WC1R 5ET.

(b) Basis of preparation and assessment of going concern

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 (Second edition – October 2019) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Trust constitutes a public benefit entity as defined by FRS 102.

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

In preparation of the accounts there are estimates relating to prepayments and accruals which are non-complex in nature. None of the estimates are material to the accounts.

(c) Income

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

(d) Donations and Legacies

Donations and legacies are recognised when there is entitlement to the income, receipt is probable and the amount can be measured reliably.

(e) Scholarships

Scholarships are accounted for as they are awarded.

(f) Investments

Investments are stated at market value. Realised and unrealised gains and losses during the year are taken to the Statement of Financial Activities.

(g) Funds

Unrestricted funds are donations and other incoming resources to be applied in meeting the broad objects of the charity. Restricted funds represent the unexpended income to be applied for specific purposes. Endowment funds (unless expendable in specified circumstances) are not to be spent but retained to preserve the capital value of the original bequests.

(h) Expenditure

The expenditure of the Trust is directly allocated to the charitable activity to which it relates or to the governance of the Trust.

(i) Financial Instruments

The Trust only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

(j) Creditors

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2021**

Notes to the Accounts (Continued)

(k) Debtors

Short term debtors are measured at the transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

(l) Provisions

Provisions are made where an event has taken place that gives the Trust a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation. Provisions are charged as an expense to the Statement of Financial Activities in the year that the Society becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2. DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total £
General Donations and legacies	186,802	24,150	-	210,952
Bingham Appeal	38,153	-	-	38,153
Hon Soc of Gray's Inn Trust Fund	48,500	-	-	48,500
	<u>£273,455</u>	<u>24,150</u>	<u>-</u>	<u>£297,605</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2020 Total £
General Donations and legacies	237,615	-	-	237,615
Bingham Appeal	38,132	-	-	38,132
Hon Soc of Gray's Inn Trust Fund	-	-	-	-
	<u>£275,747</u>	<u>-</u>	<u>-</u>	<u>£275,747</u>

3. INCOME FROM INVESTMENTS

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total £
Investment portfolio	<u>£135,951</u>	<u>£64,180</u>	<u>-</u>	<u>£200,131</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2020 Total £
Investment portfolio	<u>£72,089</u>	<u>£49,996</u>	<u>-</u>	<u>£122,085</u>

**THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2021**

Notes to the Accounts (Continued)

4. CHARITABLE EXPENDITURE

	2021	2020
	£	£
Scholarships awarded for the education of law students		
General Fund		
Unrestricted Fund	1,179,440	1,180,661
Awards not taken and written back	(40,350)	(40,600)
	1,139,090	1,140,061
Bingham Fund	13,300	10,000
Charnley Fund	15,000	10,000
Mustill Fund	4,150	-
Hebe Plunkett Fund	4,735	1,500
Ann Goddard Fund	70,000	69,000
The Troy Trust (Beloff Essay Prize)	1,000	-
	<u>£1,247,275</u>	<u>£1,230,561</u>
Total scholarships awarded in year	1,287,625	1,271,161
Awards not taken and written back	(40,350)	(40,600)
Net cost of scholarships awarded in year	<u>£1,247,275</u>	<u>£1,230,561</u>

The Trust employs no members of staff and hence there are no staff costs or key management personnel costs to disclose.

Included in the above is the sum of £172,740 (2020 £150,461) representing the rental paid by the Trust to the Society for rental of accommodation offered to students who were awarded residential scholarships.

5. OTHER COSTS

	Unrestricted Funds	Restricted Funds	Endowment Funds	2021 Total
	£	£	£	£
Audit Fees and Bank Charges	4,794	-	-	4,794
	<u>£4,794</u>	<u>-</u>	<u>-</u>	<u>£4,794</u>
	Unrestricted Funds	Restricted Funds	Endowment Funds	2020 Total
	£	£	£	£
Audit Fees and Bank Charges	4,411	-	-	4,411
	<u>£4,411</u>	<u>-</u>	<u>-</u>	<u>£4,411</u>

The Trust receives support services donated by The Society. These relate entirely to its sole charitable activity; the education of law students. It is not practicable to quantify the value of donated services with any degree of precision. On the basis that the value is likely to be material, a value of nil has been ascribed to the donated services in these accounts

**THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2021**

Notes to the Accounts (Continued)

6. TRUSTEES' REMUNERATION AND RELATED PARTY TRANSACTIONS

During the year no trustee received any remuneration or expenses (2020: nil). There were no related party transactions in the year (2020: nil)

7. TAXATION

The Trust is a registered charity and its income and gains are exempt from taxation.

8. INVESTMENTS

	2021	2020
	£	£
<u>INVESTMENTS HELD WITH WTW</u>		
Market value at 1 January	11,888,564	12,689,569
Capital introduced/(withdrawn)	(1,129,938)	(1,704,073)
Investment gains/ (losses)	1,418,549	903,068
Market value at 31 December	<u>£12,177,175</u>	<u>£11,888,564</u>
Cost at 31 December	<u>£4,793,239</u>	<u>£5,253,065</u>
<u>INVESTMENTS HELD WITH COIF (GENERAL FUND)</u>		
Market value at 1 January	3,553,347	1,873,888
Capital introduced/(withdrawn)	850,000	1,500,000
Investment gains/ (losses)	511,690	179,459
Market value at 31 December	<u>£4,915,037</u>	<u>£3,553,347</u>
Cost at 31 December	<u>£4,150,000</u>	<u>£3,300,000</u>
<u>INVESTMENTS HELD WITH COIF (GODDARD)</u>		
Market value at 1 January	1,721,137	1,617,676
Capital introduced/(withdrawn)	-	-
Investment gains/ (losses)	241,323	103,461
Market value at 31 December	<u>£1,962,459</u>	<u>£1,721,137</u>
Cost at 31 December	<u>£1,570,573</u>	<u>£1,570,573</u>
<u>TOTAL INVESTMENTS</u>		
Market value at 1 January	17,163,047	16,181,132
Capital introduced/(withdrawn)	(279,938)	(204,073)
Investment gains/ (losses)	2,171,562	1,185,987
Market value at 31 December	<u>£19,054,671</u>	<u>£17,163,047</u>
Cost at 31 December	<u>£10,513,813</u>	<u>£10,123,639</u>

THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2021

Notes to the Accounts (Continued)

8. INVESTMENTS - continued

	2021 £	2021 %	2020 £	2020 %
INVESTMENTS WITH COIF				
Overseas Equities	4,552,903	66%	3,622,516	69%
UK Equities	632,730	9%	475,758	9%
Infrastructure and Operating Assets	522,690	8%	476,813	9%
Cash and near cash	577,710	8%	213,617	4%
Property	261,345	4%	206,232	4%
Contractual & Other Income	165,060	2%	154,542	3%
Private Equity	165,060	2%	104,962	2%
Fixed Interest	0	0%	20,043	0%
Total market value of investments	<u>6,877,496</u>	<u>100%</u>	<u>5,274,483</u>	<u>100%</u>
INVESTMENTS WITH WTW				
Equities	4,578,618	38%	4,969,420	42%
Credit	1,144,654	9%	1,521,736	13%
Private Markets	3,348,723	28%	2,758,147	23%
Diversifying	2,532,852	21%	2,318,270	20%
Cash	572,327	5%	320,991	3%
Total market value of investments	<u>£12,177,175</u>	<u>100%</u>	<u>£11,888,564</u>	<u>100%</u>
Combined market value of investments	<u>£19,054,671</u>		<u>£17,163,047</u>	

9. DEBTORS

	2021 £	2020 £
Current account with Grays Inn	-	50
Accrued income	175,277	130,000
	<u>£175,277</u>	<u>£130,050</u>

10. CREDITORS

	2021 £	2020 £
Scholarships awarded but not yet paid	57,600	62,486
Residential Scholarship retentions	-	16,000
Audit fee	3,600	3,500
	<u>£61,200</u>	<u>£81,986</u>

11. SHORT TERM LOAN

The Trust has borrowed £1,200,000 from the Society. The loan is unsecured, interest free and is repayable on three months notice.

THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2021

Notes to the Accounts (Continued)

12. FINANCIAL INSTRUMENTS

Financial assets comprise accrued income and sundry debtors. Financial liabilities comprise accruals and sundry creditors.

	2021 £	2020 £
Financial Assets		
Financial Assets measured at amortised cost	<u>£175,277</u>	<u>£130,050</u>
Financial Liabilities		
Financial Liabilities measured at amortised cost	<u>£61,200</u>	<u>£81,986</u>

13. ANALYSIS OF UNRESTRICTED, RESTRICTED AND ENDOWMENT FUNDS

The movement of funds during the year is as detailed below:

	1 January 2021 £	Incoming Resources £	Resources Expended £	Investment Gains / (Losses) £	31 December 2021 £
Unrestricted Fund					
General	5,892,056	343,396	(1,143,884)	727,383	5,818,951
The Bingham Fund	1,091,886	66,010	(13,300)	134,795	1,279,390
Total Unrestricted	<u>6,983,941</u>	<u>409,406</u>	<u>(1,157,184)</u>	<u>862,178</u>	<u>7,098,341</u>
Restricted					
Stephen Silber Fund	786	15	-	97	898
The Charnley Fund	806	20,016	(15,000)	100	5,921
Hebe Plunkett Fund	30,000	584	(4,735)	3,704	29,553
The Mustill Fund	-	4,150	(4,150)	-	-
Sir Brian Smedley Fund	305	6	-	38	348
Troy Fund/Beloff Prize	5,580	109	(1,000)	689	5,378
Ann Goddard Fund	85,526	63,451	(70,000)	-	78,977
Total Restricted	<u>123,003</u>	<u>88,330</u>	<u>(94,885)</u>	<u>4,627</u>	<u>121,075</u>
Endowment					
General	7,462,324	-	-	1,004,039	8,466,363
Hebe Plunkett Fund	416,563	-	-	56,048	472,611
Sir Brian Smedley Fund	24,882	-	-	3,348	28,230
Ann Goddard Fund	1,724,168	-	-	241,323	1,965,490
Total Endowment	<u>9,627,937</u>	<u>-</u>	<u>-</u>	<u>1,304,757</u>	<u>10,932,694</u>
Total Funds	<u>16,734,881</u>	<u>497,736</u>	<u>(1,252,069)</u>	<u>2,171,562</u>	<u>18,152,110</u>
Analysis of Net Assets between Funds as at 31 December 2021		Unrestricted Fund	Restricted Funds	Endowment Funds	Total Assets
Investments		8,082,910	42,098	10,929,663	19,054,671
Net Current Assets		(984,569)	78,977	3,031	(902,561)
		<u>£7,098,341</u>	<u>£121,075</u>	<u>£10,932,694</u>	<u>£18,152,110</u>

The Endowment Fund of the General Fund arose from various legacies and donations and represents a permanent endowment. The Unrestricted Fund is to be applied to meet the charitable objectives of the Trust. The purposes of the various funds are outlined in more detail in the Trustee's Report.

**THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2021**

Notes to the Accounts (Continued)

13. ANALYSIS OF UNRESTRICTED, RESTRICTED AND ENDOWMENT FUNDS (Continued)

The movement of funds during the prior year is as detailed below:

	1 January 2020 £	Incoming Resources £	Resources Expended £	Investment Gains / (Losses) £	31 December 2020 £
<u>Unrestricted Fund</u>					
General	6,298,637	292,604	(1,140,061)	445,287	5,896,467
The Bingham Fund	977,545	55,232	(10,000)	69,108	1,091,886
Total Unrestricted	<u>7,276,182</u>	<u>347,836</u>	<u>(1,150,061)</u>	<u>514,396</u>	<u>6,988,352</u>
<u>Restricted</u>					
Stephen Silber Fund	727	7	-	51	786
The Charnely Fund	10,000	99	(10,000)	707	806
Hebe Plunkett Fund	29,151	289	(1,500)	2,061	30,000
Sir Brian Smedley Fund	282	3	-	20	305
Troy Fund/Beloff Prize	5,164	51	-	365	5,580
Ann Goddard Fund	104,979	49,547	(69,000)	-	85,526
Total Restricted	<u>150,303</u>	<u>49,996</u>	<u>(80,500)</u>	<u>3,204</u>	<u>123,003</u>
<u>Endowment</u>					
General	6,928,950	-	-	533,374	7,462,324
Hebe Plunkett Fund	386,789	-	-	29,774	416,563
Sir Brian Smedley Fund	23,103	-	-	1,778	24,882
Ann Goddard Fund	1,620,707	-	-	103,461	1,724,168
Total Endowment	<u>8,959,549</u>	<u>-</u>	<u>-</u>	<u>668,388</u>	<u>9,627,937</u>
Total Funds	<u>16,386,034</u>	<u>397,832</u>	<u>(1,230,561)</u>	<u>1,185,987</u>	<u>16,739,292</u>
Analysis of Net Assets between					
Funds as at 31 December 2020		Unrestricted Fund	Restricted Funds	Endowment Funds	Total Assets
Investments		7,500,664	37,477	9,624,906	17,163,047
Net Current Assets		(516,723)	85,526	3,031	(428,166)
		<u>£6,983,941</u>	<u>£123,003</u>	<u>£9,627,937</u>	<u>£16,734,881</u>

THE GRAY'S INN SCHOLARSHIPS TRUST

England & Wales - Charity number 313604

Accounts

**THE GRAY'S INN
SCHOLARSHIPS TRUST**

Financial Statements

for the year to

31 December 2020

Registered Charity No. 313604

**THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2020**

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**THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2020**

Trustees' Report

Reference and Administrative Details, Trustees and Advisers

TRUSTEES	Nicholas Blethyn Elliott QC (retired April 2020) Philip Baker QC The Hon Nathalie Lieven Timothy Corner QC (appointed April 2020)
PRINCIPAL OFFICE	8 South Square Gray's Inn London WC1R 5ET
CHARITY REGISTRATION NO.	313604
GOVERNING INSTRUMENT	Charity Commission Scheme dated 2 nd May 1995
AUDITORS	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
SOLICITORS	Hunters 9 New Square Lincoln's Inn London WC2A 3QN
PRINCIPAL BANKERS	C Hoare & Co 37 Fleet Street London EC4P 4DQ
INVESTMENT MANAGERS	Willis Towers Watson MidCity Place 71 High Holborn London WC1V 6TP CCLA Investment Management Senator House 85 Queen Victoria Street London EC4V 4ET
SENIOR MANAGEMENT TEAM	Chief Executive : Antony Harking Director of Finance : Dermot Doughty

**THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2020**

Trustees' Report (Continued)

Structure, Governance and Management

The Gray's Inn Scholarships Trust ("the Trust") is a Charitable Trust registered with the Charity Commission. Trustees who acted throughout the year are disclosed on Page 3.

The Trustees are kept conversant with the law and the requirements of the Charity Commission, as required, by professional advisers.

The Trustees receive reports of the two key meetings of the Scholarships Committee. They approve the amount of money to be divided between the Common Professional Examination (CPE), Bar Course and pupillage awards and they approve the list of those who should receive scholarships. The selection is undertaken by other Masters of the Bench, members of Hall and staff of The Honourable Society of Gray's Inn ("the Society").

Trustees are selected by the Management Committee of The Society and their appointments are confirmed by Pension, the ultimate policy and decision making body of The Society. The day-to-day management of the Trust is delegated to the management staff of The Society and there are regular meetings of the Trustees.

Funds

The Hebe Plunkett Fund

The Hebe Plunkett Fund was initially registered with the Charity Commission as a separate charity but, with the approval of the Commission, it was transferred to this Trust on 31 December 2003.

The original governing document required that the income and, if considered proper by the Trustees in the light of exceptional circumstances, the capital should all be applied in advancing legal education by assisting persons with defective eyesight in the study of law in such manner as the Trustees thought fit and in particular (and without prejudice to the generality of the forgoing) by providing equipment in The Society's library.

To the extent that the income was not applied, it was to be accumulated for the 21 year period from 11 February 1989. The Trustees had discretion to spend the income so accumulated.

Following the expiry of the 21 year period of permitted accumulation on 11 February 2010, the Trustees have discretion to apply the income for such purposes of an educational nature connected with The Society to the extent that the specified original objective cannot be achieved.

The Trustees resolved at their meeting on 21 September 2010 that this fund should continue as a separate and discrete fund and the original objectives adhered to as far as possible.

The Sir Brian Smedley Fund

The income arising on the endowment is available as a scholarship open to members of The Society who are barristers of not more than one year's call, or students, and who are practising or intending to practice at the Bar of England and Wales. Preference is to be given to candidates practising or intending to practice on the Midland Circuit.

The Troy Fund (Beloff Essay Prize)

This fund is expendable and is to be applied in funding an annual essay prize in Administrative Law for those who are applying for pupillages.

The Bingham Fund

This is shown separately in an unrestricted fund while fund raising continues. It is hoped that if the fund reaches £1,500,000, 5 scholarships of £10,000 will be awarded annually in memory of the late Lord Bingham. A Bingham scholarship was awarded in 2020.

The Charnley award

This award is made, on merit, to a high potential candidate for the Graduate Diploma in Law.

**THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2020**

Trustees' Report (Continued)

The Ann Goddard Fund

A total bequest of £1,503,833 is invested in a separate portfolio and the income arising therefrom is to be used to assist barristers during their pupillage with preference being given to those seeking to practice at the criminal bar.

Risk Review

The Trustees have assessed the major risks faced by the charity and keep them under review. All the operational activities of the Trust are undertaken by the Honourable Society of Gray's Inn and the Trustees rely on their risk control processes. Specific reference is made in these processes to the risk management requirements of the Trust. The key risks relate to the performance of the investment portfolio (see "Investment performance" in the Trustees Report for more detail) and the continuation of support from the Society via the Honourable Society of Gray's Inn Charitable Trust fund ("the Gray's Inn Charitable Trust"). Trustees monitor these risks regularly by receiving updates from investment managers on the performance of the portfolio and maintaining regular dialogue with the Society. The impact of the Coronavirus pandemic on the Trust is discussed in the "Investment Performance" and "Plans for the Future" sections of this report.

Objectives and Activities

The principal charitable objective of the Trust is the advancement of education in the law for students and members of the Society and this is achieved by awarding scholarships to all with ability. To that end, scholarship interviews are held separately for those taking the CPE and Bar Course exams and those seeking pupillage awards following their Call to the Bar. Details of the grant policy and the scholarships are given below.

Grant Policy

The grant policy is to identify able students and to assist them to complete their studies and to be called to the Bar. In order to attract the brightest students to The Society, the awards made must be competitive with the other Inns of Court. The Scholarships Committee considers applications from students on an annual basis. These awards are available to cover each year of a student's study - the Common Professional Examination (CPE), the Bar Professional Training Course (BPTC) and during pupillage. In addition, there is a special fund within the charity, The Hebe Plunkett Fund, to provide additional assistance to handicapped students with a preference for those with a visual impairment.

Public Benefit

The Trustees confirm that they have considered the Charity Commission's guidance on public benefit. The Trust's sole activity is the awarding of scholarships to students to enable them to pursue careers as barristers. This function is delegated to the Scholarships Committee which is guided by a policy document designed to achieve and to demonstrate that all awards are made on non-discriminatory bases.

Information about the scholarships is made publicly available through The Society's website and the Scholarships Handbook which is issued to all new students or those interested in becoming students of The Society. Awards are monitored to ensure that the charitable objectives of the Trust are being achieved.

The public benefit derived from the Trust's activities is two-fold. Firstly it offers legal educational opportunities to all of ability irrespective of background, and secondly it helps to maintain the highest standards required and expected of the legal profession by members of the public.

**THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2020**

Trustees' Report (Continued)

Achievements and Performance in the year

Scholarship awards cover all or part of tuition and living costs. During the year the Trustees awarded scholarships to members of The Society in their CPE year, their Bar Course year or their pupillage as follows:

	2020	2019
	£	£
Scholarships and prizes awarded (see note 4)	<u>£1,271,161</u>	<u>£1,241,475</u>
Number of scholarships and prizes awarded	132	133
Average value	<u>£9,630</u>	<u>£9,334</u>

The aggregate amount of Scholarships awarded has increased slightly during the year, despite the reduced funding from the Society, reflecting the determination of the Trustees to ensure that sufficient funds are available to enable well qualified students to qualify as barristers.

Student Accommodation

During the year the Society increased the amount of student accommodation available from twelve to fourteen rooms. Each student, who is awarded accommodation as a scholarship, signs an eleven month Assured Shorthold Tenancy agreement at a nil rent with the Society. The Scholarships Trust pays a market related rent for the accommodation to the Society and this amount is included in the total of the value of the scholarships awarded in the year. The cost of this is borne by the Trust. The total amount paid under these arrangements in 2020 was £150k.

Financial Review

The Statement of Financial Activities on page 12 discloses the following –

	2020	2019
	£	£
Income received	397,832	981,646
Gains/(Losses) on investments	1,185,987	1,324,825
Expenditure incurred	<u>(1,234,972)</u>	<u>(1,247,586)</u>
Surplus for the year	<u>£348,847</u>	<u>£1,058,884</u>

The donation from the Grays Inn Charitable Trust was £nil (2019: £675,000).

The funds available as at 31 December amounted to:

	2020	2019
	£	£
Unrestricted Funds	6,983,941	7,279,182
Restricted Funds	123,003	150,303
Endowment Funds	<u>9,627,937</u>	<u>8,959,549</u>
	<u>£16,734,881</u>	<u>£16,389,034</u>

Despite the elimination of the annual donation from the Gray's Inn Charitable Trust the Trust saw a net increase in the value of its funds largely because of a large increase in the value of its investments.

To compensate for the reduced Grant from the Charitable Trust, without liquidating high performing investments or reducing the level of Scholarships, the Trustees borrowed £600k from the Society. This loan is interest free and repayable with three months notice.

**THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2020**

Trustees' Report (Continued)

Investment Performance

Details of investments are given in Note 6. The Goddard legacy (amounting to £1.7m at the end of 2020) is invested in a separate account within the Charites Investment Fund ("COIF") managed by CCLA.

There is a further investment in COIF amounting to £3.6m at the end of 2020. This is an investment of part the endowment reserves of the Trust.

Funds with WillisTowersWatson ("WTW") amounted to £11.9m at the end of 2020 and are invested with the aim achieving real returns of at least 5% pa averaged over five year rolling periods with half the volatility of equity markets.

The medium term intention is to invest all the endowment reserves of the Trust in COIF with the unrestricted and restricted reserves being invested in WTW. This policy, which is driven by the fact that COIF gives a regular income whilst WTW generates capital growth only, is gradually being implemented over a number of years. The income generated by COIF assets in 2020 represented a 3.5% return on the opening balances held.

The Coronavirus pandemic generated significant market volatility in the first half of 2020. However matters stabilised in the second half. By the end of the year the Trusts financial investments had shown a capital gain of £1.1m (7.3%).

Reserves Policy

It is the long term aim to preserve the real value of the awards made together with a reducing dependence on the fluctuating sums that the Society is able to provide. Thus, the reserves policy is to retain sufficient funding to establish a strong investment portfolio to ensure continuity and certainty in providing future awards. As at 31 December 2020 total reserves were £16.7m, of which £9.6m was endowed for specific purposes and held in investments to generate an income out of which grants will be made in future periods. A further £0.1m was restricted for specific purposes and the remaining £7.0m was unrestricted, but held in investments. Trustees are content that the current level of reserves are sufficient to meet existing strategic plans of the Charity.

Investment Powers and Policy

The Trustees have broad powers of investment. The policy is to preserve and grow the real value of the portfolio over the longer term.

Plans for Future Periods

The continuing aim remains to give scholarships to able students, irrespective of background, to enable them to achieve careers as barristers

The Trust has received substantial grants from the Charitable Trust over many years and this has contributed to the creation of financial reserves in addition to the payment of scholarships. As a result of the pandemic the Society has adopted a cautious policy in respect of its charitable funding and this has reduced the annual grant to the Charitable Trust and, by extension, to the Trust. The Trustees have borrowed funds from the Society in order to realise its financial goals in 2020. It is likely that this policy will be repeated in 2021 although there is the possibility that the Society may be in a position to resume higher levels of charitable donations and these will, in future, be paid direct to the Trust rather than via the Charitable Trust. The Trustees envisage scholarships continuing at current or improved levels for the foreseeable future.

The process for awarding scholarships to students starting their courses in September 2021 has not been impeded by the Coronavirus pandemic and the aggregate amount of Scholarships awarded is in line with amounts budgeted.

**THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2020**

Trustees' Report (Continued)

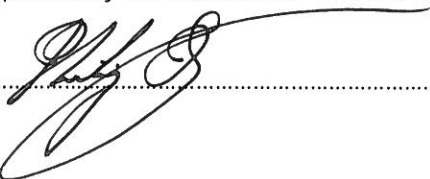
Statement of Trustees' Responsibilities

The Trustees are required to prepare, for each financial year, financial statements which observe the principles and methods of the Charities SORP and which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that this basis applies.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with statutory requirements. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees on 15th June 2021 and signed as authorised on their behalf by:


..... Trustee

**THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2020**

Independent auditor's report to the trustees of The Gray's Inn Scholarships Trust

Opinion

We have audited the financial statements of The Gray's Inn Scholarships Trust for the year ended 31 December 2020 which comprise Statement of Financial Activities, Balance Sheet, cash flow statement 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, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of 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.

Independent auditor's report to the trustees of The Gray's Inn Scholarships Trust (Cont'd)

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page X, 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:

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 compliance with the Charity SORP in the preparation of the accounts and fund accounting, 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 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 there were no such risks.

Our procedures included the following:

- Inspecting correspondence with regulators and tax authorities, and minutes of trustee meetings;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud both at planning and at completion;
- Evaluating management's controls designed to prevent and detect irregularities;
- Sample testing the allocation of expenditure to restricted funds;
- Identifying and testing journals process by management in the preparation of the financial statements; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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

**THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2020**

Independent auditor's report to the trustees of The Gray's Inn Scholarships Trust (Cont'd)

Use of our 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 10 Queen Street Place
Statutory Auditors London
EC4R 1AG**

Date: 22 July 2021

THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2020

STATEMENT OF FINANCIAL ACTIVITIES

		Unrestricted Funds	Restricted Funds	Endowment Funds	2020 Total	2019 Total
	Notes	£	£	£	£	£
INCOME AND ENDOWMENTS FROM:						
Donations and legacies	2	275,747	-	-	275,747	904,700
Investments	3	72,089	49,996	-	122,085	76,946
Total		<u>347,836</u>	<u>49,996</u>	<u>-</u>	<u>397,832</u>	<u>981,646</u>
EXPENDITURE ON:						
Charitable activities						
Education of law students	4	1,150,061	80,500	-	1,230,561	1,230,475
Other	5	4,411	-	-	4,411	17,111
Total		<u>1,154,472</u>	<u>80,500</u>	<u>-</u>	<u>1,234,972</u>	<u>1,247,586</u>
NET INCOMING RESOURCES		(806,636)	(30,504)	-	(837,140)	(265,940)
Net (losses)/gains on investments	6	514,396	3,204	668,388	1,185,987	1,324,825
NET INCOME/EXPENDITURE		<u>(292,240)</u>	<u>(27,300)</u>	<u>668,388</u>	<u>348,847</u>	<u>1,058,884</u>
RECONCILIATION OF FUNDS						
Total Funds brought forward		7,276,182	150,303	8,959,549	16,386,034	15,327,150
TOTAL FUNDS CARRIED FORWARD		<u><u>£6,983,942</u></u>	<u><u>£123,003</u></u>	<u><u>£9,627,937</u></u>	<u><u>£16,734,881</u></u>	<u><u>£16,386,034</u></u>

There were no recognised gains or losses other than those shown in the above Statement of Financial Activities.

The notes on page 13 – 22 form part of the financial statements.

THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2020

BALANCE SHEET AT 31 DECEMBER 2020

		2020		2019	
	Notes	£	£	£	£
FIXED ASSETS					
Investments	6		17,163,047		16,181,132
CURRENT ASSETS					
Cash and deposits in transit		123,770		155,202	
Debtors	7	130,050		175,700	
		253,820		330,902	
CREDITORS:					
Sundry creditors	8	(81,986)		(126,000)	
Borrowing from Gray's Inn	9	(600,000)		-	
		(681,986)		(126,000)	
NET CURRENT (LIABILITIES) / ASSETS			(428,166)		204,902
NET ASSETS			<u>£ 16,734,881</u>		<u>£ 16,386,034</u>
FUNDS					
Unrestricted	10		6,983,941		7,276,182
Restricted	10		123,003		150,303
Endowments	10		9,627,937		8,959,549
			<u>£16,734,881</u>		<u>£16,386,034</u>

Approved by the Trustees on 15th June 2021 and signed as authorised on their behalf by:

Trustee:



THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2020

CASH FLOW STATEMENT

	2020	2019
	£	£
Net movement in funds	348,847	1,058,884
Deduct : investment gains	(1,185,987)	(1,324,825)
Deduct: investment income shown in investing activities	(122,085)	(76,946)
Increase in current account with Gray's inn	(50)	100
(Increase)/decrease in debtors	45,700	(25,200)
Increase/(decrease) in creditors	(44,014)	58,000
Net cash provided by operating activities	(957,589)	(309,986)
Cash flows from investing activities		
Investment income	122,085	76,946
(Additions to)/ withdrawals from investments	204,133	(69,351)
	326,218	7,595
Cash flows from financing activities		
Short term Loan from Gray's Inn	600,000	-
(Decrease)/Increase in cash and cash equivalents in the year	(31,431)	(302,391)
Cash and cash equivalents at the start of the year	155,202	457,593
Total cash and cash equivalents at the end of the year	£123,770	£155,202

**THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2020**

Notes to the Accounts

1. ACCOUNTING POLICIES

(a) General Information

The Gray's Inn Scholarships Trust is a UK Based Charitable Trust registered with the Charity Commission. It's registered address is: Treasury Office, 8 South Square, Gray's Inn, London WC1R 5ET.

(b) Basis of preparation and assessment of going concern

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Trust constitutes a public benefit entity as defined by FRS 102.

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

In preparation of the accounts there are estimates relating to prepayments and accruals which are non-complex in nature. None of the estimates are material to the accounts.

(c) Income

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

(d) Donations, Legacies and Covenant

Donations, legacies and covenants are accounted for when received except if the receipt relates to scholarships specifically granted to named individuals when the receipt is recognised in the period in which the scholarship is granted.

(e) Scholarships

Scholarships are accounted for as they are awarded.

(f) Investments

Investments are stated at market value. Realised and unrealised gains and losses during the year are taken to the Statement of Financial Activities.

(g) Funds

Unrestricted funds are donations and other incoming resources to be applied in meeting the broad objects of the charity. Restricted funds represent the unexpended income to be applied for specific purposes. Endowment funds (unless expendable in specified circumstances) are not to be spent but retained to preserve the capital value of the original bequests.

(h) Expenditure

The expenditure of the Trust is directly allocated to the charitable activity to which it relates or to the governance of the Trust.

(i) Financial Instruments

The Trust only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

(j) Creditors

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2020

Notes to the Accounts (Continued)

(k) Debtors

Short term debtors are measured at the transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

(l) Provisions

Provisions are made where an event has taken place that gives the Trust a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation. Provisions are charged as an expense to the Statement of Financial Activities in the year that the Society becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2. DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2020 Total £
General Donations and legacies	237,615	-	-	237,615
Bingham Appeal	38,132	-	-	38,132
Hon Soc of Gray's Inn Trust Fund	-	-	-	-
	<u>£275,747</u>	<u>-</u>	<u>-</u>	<u>£275,747</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2019 Total £
General Donations and legacies	183,253	10,000	-	193,253
Bingham Appeal	36,447	-	-	36,447
Hon Soc of Gray's Inn Trust Fund	675,000	-	-	675,000
	<u>£894,700</u>	<u>-</u>	<u>-</u>	<u>£904,700</u>

3. INCOME FROM INVESTMENTS

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2020 Total £
Investment portfolio	<u>£72,089</u>	<u>£49,996</u>	<u>-</u>	<u>£122,085</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2019 Total £
Investment portfolio	<u>£7,000</u>	<u>£69,946</u>	<u>-</u>	<u>£76,946</u>

THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2020

Notes to the Accounts (Continued)

4. CHARITABLE EXPENDITURE

	2020 £	2019 £
Scholarships awarded for the education of law students		
General Fund		
Unrestricted Fund	1,180,661	1,145,851
Awards not taken and written back	(40,600)	(11,000)
	1,140,061	1,134,851
Bingham Fund	10,000	13,000
Charnley Fund	10,000	-
Smedley Fund	-	3,000
Hebe Plunkett Fund	1,500	7,000
Ann Goddard Fund	69,000	71,624
The Troy Trust (Beloff Essay Prize)	-	1,000
	<u>£1,230,561</u>	<u>£1,230,475</u>
Total scholarships awarded in year	1,271,161	1,241,475
Awards not taken and written back	(40,600)	(11,000)
Net cost of scholarships awarded in year	<u>£1,230,561</u>	<u>£1,230,475</u>

The Trust employs no members of staff and hence there are no staff costs or key management personnel costs to disclose.

Included in the above is the sum of £150,461 (2019 £145,291) representing the rental paid by the Trust to the Society for rental of accommodation offered to students who were awarded residential scholarships.

5. OTHER COSTS

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2020 Total £
Investment management fees	-	-	-	-
Other costs	4,411	-	-	4,411
	<u>£4,411</u>	<u>-</u>	<u>-</u>	<u>£4,411</u>
	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2019 Total £
Investment management fees	527	4	15,962	16,493
Other costs	1,433	11	1,301	2,745
	<u>£1,960</u>	<u>£15</u>	<u>£17,263</u>	<u>£19,238</u>

The Trust receives support services donated by The Society. These relate entirely to its sole charitable activity; the education of law students. It is not practicable to quantify the value of donated services with any degree of precision. On the basis that the value is likely to be material, a value of nil has been ascribed to the donated services in these accounts

THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2020

Notes to the Accounts (Continued)

6. INVESTMENTS

	2020 £	2019 £
<u>EQUITIES AND CASH HELD WITH UBS (GODDARD)</u>		
Market value at 1 January	-	1,500,655
Cash Introduced/ (withdrawn)	-	(1,583,222)
Investment gains/ (losses)	-	82,567
Market value at 31 December	<u>-</u>	<u>-</u>
Cost at 31 December	<u>-</u>	<u>-</u>
<u>INVESTMENTS HELD WITH WTW</u>		
Market value at 1 January	12,689,569	13,286,301
Capital introduced/(withdrawn)	(1,704,133)	(1,718,000)
Investment gains/ (losses)	903,068	1,121,267
Market value at 31 December	<u>£11,888,504</u>	<u>£12,689,569</u>
Cost at 31 December	<u>£5,253,065</u>	<u>£6,074,183</u>
<u>INVESTMENTS HELD WITH COIF (GENERAL FUND)</u>		
Market value at 1 January	1,873,888	-
Capital introduced/(withdrawn)	1,500,000	1,800,000
Investment gains/ (losses)	179,459	73,888
Market value at 31 December	<u>£3,553,347</u>	<u>£1,873,888</u>
Cost at 31 December	<u>£3,300,000</u>	<u>£1,800,000</u>
<u>INVESTMENTS HELD WITH COIF (GODDARD)</u>		
Market value at 1 January	1,617,676	-
Capital introduced/(withdrawn)	-	1,570,573
Investment gains/ (losses)	103,460.85	47,103
Market value at 31 December	<u>£1,721,137</u>	<u>£1,617,676</u>
Cost at 31 December	<u>£1,570,573</u>	<u>£1,570,573</u>
<u>TOTAL INVESTMENTS</u>		
Market value at 1 January	16,181,132	14,786,957
Capital introduced/(withdrawn)	(204,133)	69,351
Investment gains/ (losses)	1,185,987	1,324,825
Market value at 31 December	<u>£17,162,987</u>	<u>£16,181,132</u>
Cost at 31 December	<u>£10,123,639</u>	<u>£9,444,757</u>

**THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2020**

Notes to the Accounts (Continued)

6. INVESTMENTS - continued

	2020	2020	2019	2019
	£	%	£	%
<u>INVESTMENTS WITH COIF</u>				
Overseas Equities	3,622,515	69%	2,037,677	58%
UK Equities	475,758	9%	436,445	13%
Infrastructure and Operating Assets	476,813	9%	387,564	11%
Cash and near cash	213,617	4%	220,667	6%
Property	206,232	4%	176,673	5%
Contractual & Other Income	154,542	3%	141,757	4%
Private Equity	104,962	2%	77,164	2%
Fixed Interest	20,043	0%	13,617	0%
Total market value of investments	<u>£5,274,483</u>	<u>100%</u>	<u>3,491,564</u>	<u>100%</u>
<u>INVESTMENTS WITH WTW</u>				
Equities	4,969,420	42%	4,530,176	36%
Credit	1,521,736	13%	2,347,570	19%
Private Markets	2,758,147	23%	2,575,982	20%
Diversifying	2,317,081	19%	2,969,359	23%
Cash	320,991	3%	266,481	2%
Total market value of investments	<u>£11,888,564</u>	<u>100%</u>	<u>£12,689,569</u>	<u>100%</u>
Combined market value of investments	<u>£17,163,047</u>		<u>£16,181,132</u>	

7. DEBTORS

	2020	2019
	£	£
Current account with Grays Inn	50	-
Accrued income	130,000	175,700
	<u>£130,050</u>	<u>£175,700</u>

8. CREDITORS

	2020	2019
	£	£
Scholarships awarded but not yet paid	62,486	56,000
Residential Scholarship retentions	16,000	12,000
Audit fee	3,500	-
	<u>£81,986</u>	<u>£68,000</u>

9. SHORT TERM LOAN

The Trust has borrowed £600,000 from the Society. The loan is unsecured, interest free and is repayable on three months notice.

**THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2020**

Notes to the Accounts (Continued)

10. ANALYSIS OF UNRESTRICTED, RESTRICTED AND ENDOWMENT FUNDS

The movement of funds during the year is as detailed below:

	1 January 2020 £	Incoming Resources £	Resources Expended £	Investment Gains / (Losses) £	31 December 2020 £
<u>Unrestricted Fund</u>					
General	6,298,637	292,604	(1,140,061)	445,287	5,896,467
The Bingham Fund	977,545	55,232	(10,000)	69,108	1,091,886
Total Unrestricted	7,276,182	347,836	(1,150,061)	514,396	6,988,352
<u>Restricted</u>					
Stephen Silber Fund	727	7	-	51	786
The Charnely Fund	10,000	99	(10,000)	707	806
Hebe Plunkett Fund	29,151	289	(1,500)	2,061	30,000
Sir Brian Smedley Fund	282	3	-	20	305
Troy Fund/Beloff Prize	5,164	51	-	365	5,580
Ann Goddard Fund	104,979	49,547	(69,000)	-	85,526
Total Restricted	150,303	49,996	(80,500)	3,204	123,003
<u>Endowment</u>					
General	6,928,950	-	-	533,374	7,462,324
Hebe Plunkett Fund	386,789	-	-	29,774	416,563
Sir Brian Smedley Fund	23,103	-	-	1,778	24,882
Ann Goddard Fund	1,620,707	-	-	103,461	1,724,168
Total Endowment	8,959,549	-	-	668,388	9,627,937
Total Funds	16,386,034	397,832	(1,230,561)	1,185,987	16,739,292
Analysis of Net Assets between Funds as at 31 December 2020		Unrestricted Fund	Restricted Funds	Endowment Funds	Total Assets
Investments		7,500,664	37,477	9,624,906	17,163,047
Net Current Assets		(516,723)	85,526	3,031	(428,166)
		£6,983,941	£123,003	£9,627,937	£16,734,881

The Endowment Fund of the General Fund arose from various legacies and donations and represents a permanent endowment. The Unrestricted Fund is to be applied to meet the charitable objectives of the Trust. The purposes of the various funds are outlined in more detail in the Trustee's Report.

THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2020

Notes to the Accounts (Continued)

10. ANALYSIS OF UNRESTRICTED, RESTRICTED AND ENDOWMENT FUNDS (Continued)

The movement of funds during the prior year is as detailed below:

	1 January 2019 £	Incoming Resources £	Resources Expended £	Investment Gains / (Losses) £	31 December 2019 £
Unrestricted Fund					
General	6,013,585	857,070	(1,137,913)	565,894	6,298,637
The Bingham Fund	864,558	44,630	(13,000)	81,357	977,545
Total Unrestricted	<u>6,878,143</u>	<u>901,700</u>	<u>(1,150,913)</u>	<u>647,251</u>	<u>7,276,182</u>
Restricted					
Stephen Silber Fund	664	1	-	62	727
Charnley	-	10,000	-	-	10,000
Hebe Plunkett Fund	33,011	34	(7,000)	3,106	29,151
Sir Brian Smedley Fund	2,997	3	(3,000)	282	282
Troy Fund/Beloff Prize	5,629	6	(1,000)	530	5,164
Ann Goddard Fund	106,700	69,903	(71,624)	-	104,979
Total Restricted	<u>149,001</u>	<u>79,946</u>	<u>(82,624)</u>	<u>3,981</u>	<u>150,303</u>
Endowment					
General	6,415,406	-	-	513,543	6,928,950
Hebe Plunkett Fund	358,122	-	-	28,667	386,789
Sir Brian Smedley Fund	21,391	-	-	1,712	23,103
Ann Goddard Fund	1,505,087	-	(14,050)	129,670	1,620,707
Total Endowment	<u>8,300,007</u>	<u>-</u>	<u>(14,050)</u>	<u>673,593</u>	<u>8,959,549</u>
Total Funds	<u>15,327,150</u>	<u>981,646</u>	<u>(1,247,587)</u>	<u>1,324,825</u>	<u>16,386,034</u>
Analysis of Net Assets between Funds as at 31 December 2019					
	Unrestricted Fund	Restricted Funds	Endowment Funds	Total Assets	
Investments	7,179,290	45,324	8,956,518	16,181,132	
Net Current Assets	96,891	104,979	3,031	204,901	
	<u>£7,276,182</u>	<u>£150,303</u>	<u>£8,959,549</u>	<u>£16,386,034</u>	

11. FINANCIAL INSTRUMENTS

	2020 £	2019 £
Financial Assets		
Financial Assets measured at amortised cost	<u>£130,050</u>	<u>£175,700</u>
Financial Liabilities		
Financial Liabilities measured at amortised cost	<u>£81,986</u>	<u>£68,000</u>

Financial assets comprise accrued income and sundry debtors. Financial liabilities comprise accruals and sundry creditors.

**THE GRAY'S INN SCHOLARSHIPS TRUST
YEAR TO 31 DECEMBER 2020**

Notes to the Accounts (Continued)

12. TRUSTEES' REMUNERATION AND RELATED PARTY TRANSACTIONS

During the year no trustee received any remuneration or expenses (2019: nil). There were no related party transactions in the year (2019: nil)

13. TAXATION

The Trust is a registered charity and its income and gains are exempt from taxation.