

Devon and Somerset Law Society

(A company limited by guarantee)

Annual Report and Unaudited Financial Statements
for the year ended 31 December 2022



LAW SOCIETY

DEVON AND SOMERSET LAW SOCIETY

Committee Members' Report for the Year Ended 31 December 2022

The members of the Committee present their report and the financial statements for the year ended 31 December 2022. The members of the Committee are directors for the purposes of company law.

Principal activity

The principal activity of the company is the promotion of the interests of the legal profession.

Directors of the company

The members who held office during the year were as follows:

A J Richards (President)

P D Kelly (Immediate Past President)

M I Merryweather (Vice President)

S M Forsey (Deputy Vice President) (appointed 4 May 2022)

C D Hart (Hon. Secretary)

R A Adams (Hon. Treasurer and Law Society Council Member)

S C Aggett (SBA The Solicitors' Charity Representative)

R E Parkman (SBA The Solicitors' Charity Representative)

M B G Cosgrave

M Downey (Local Government Representative)

C L Lovett

N H Lyons (resigned 4 May 2022)

N K Mein

M D Meleady

E Mitcham

R L E Morley

H R Porter

M S Roome (resigned 4 May 2022)

C J Tagg

DEVON AND SOMERSET LAW SOCIETY

Committee Members' Report for the Year Ended 31 December 2022

Review of the year

The covid-19 pandemic and associated imposed restrictions during previous years thankfully eased substantially during the current financial year with business returning to a more normal nature with the resumption of the awards dinner and other functions.

The immediate actions taken by the members of the Committee in 2021 have flowed through into 2022 and produced a small surplus of £999 for the year compared to a £27,664 deficit in the prior year as reflected on page 7 of the accounts.

It is reassuring to note that our membership income has been relatively stable and this has provided much needed income during this difficult period. We are very grateful to all our members for their support.

Revenue associated with seminar and training events has improved, albeit not as much as anticipated, with it at last being possible to hold the usual face to face events during 2022 which have not been possible for the last two years.

The major development at the end of the 2021 year is that the Society has sublet its office and this has given another source of income as well as removing the office rates charge which would otherwise fall on the Society. The effect of this and the associated rental income is reflected in the 2022 results. We are extremely grateful to our management and administration staff who have been able to embrace working from home which has allowed this change to be effected as the impact upon the Society is substantial, effectively reducing the fixed costs and enabling the company to break even for the 2022 calendar year.

The Society is fortunate to have reasonable cash reserves which have been utilised to cover prior year deficits and allowed the Society to proceed into 2023 with much more optimism with trading restrictions now relaxed and confidence now returned for face to face seminars, thus giving reasonable hope that seminar income will continue to recover.

DEVON AND SOMERSET LAW SOCIETY

Committee Members' Report for the Year Ended 31 December 2022

Responsibilities of the members of the Committee

The members of the Committee acknowledge their responsibilities for preparing the Committee Members' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the members of the Committee to prepare financial statements for each financial year. Under that law the members of the Committee have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the members of the Committee must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing these financial statements, the members of the Committee are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The members of the Committee are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Small companies provision statement

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

Approved by the committee on 1 March 2023 and signed on its behalf by:

C D Hart (Hon. Secretary)

Chartered Accountants' Report to the Members on the Preparation of the Unaudited Statutory Accounts of Devon and Somerset Law Society for the Year Ended 31 December 2022

We have reviewed the financial statements of Devon and Somerset Law Society for the year ended 31 December 2022, which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Members of the Committee's responsibility for the financial statements

As explained more fully in the statement of the responsibilities of the members of the Committee set out on page 3, the members of the Committee are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Accountants' responsibility

Our responsibility is to express a conclusion based on our review of the financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to review historical financial statements and ICAEW Technical Release TECH 09/13AAF Assurance review engagements on historical financial statements. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared, in all material respects, in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). ISRE 2400 (Revised) also requires us to comply with the ICAEW Code of Ethics.

Scope of the assurance review

A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. These primarily consist of making enquiries of management and others within the company, as appropriate, applying analytical procedures and evaluating the evidence obtained. We have also performed additional procedures to those required under a limited assurance engagement as agreed with the members of the Committee. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (UK). Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements have not been prepared:

- so as to give a true and fair view of the state of the company's affairs as at 31 December 2022, and of its surplus for the year then ended;
- in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- in accordance with the requirements of the Companies Act 2006.

**Chartered Accountants' Report to the Members on the Preparation of the Unaudited Statutory Accounts of
Devon and Somerset Law Society for the Year Ended 31 December 2022**

Use of our report

This report is made solely to the company's members of the Committee, as a body, in accordance with the terms of our engagement letter. Our review has been undertaken so that we may state to the members of the Committee those matters we have agreed with them in our engagement letter and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the members of the Committee as a body for our work, for this report or the conclusions we have formed.

Glover Stanbury
Chartered Accountants
30 Bear Street
BARNSTAPLE
Devon
EX32 7DD

1 March 2023

DEVON AND SOMERSET LAW SOCIETY

Profit and Loss Account and Statement of Retained Earnings for the Year Ended 31 December 2022

	Note	2022 £	2021 £
Turnover		203,339	144,038
Cost of sales		<u>(78,794)</u>	<u>(27,910)</u>
Gross surplus		124,545	116,128
Administrative expenses		(138,633)	(153,885)
Other operating income		<u>13,862</u>	<u>9,072</u>
Operating deficit		(226)	(28,685)
Other interest receivable and similar income		<u>1,225</u>	<u>1,021</u>
Surplus/(deficit) before tax	4	<u>999</u>	<u>(27,664)</u>
Surplus/(deficit) for the financial year		999	(27,664)
Profit and loss reserves brought forward		<u>351,904</u>	<u>379,568</u>
Profit and loss reserves carried forward		<u><u>352,903</u></u>	<u><u>351,904</u></u>

DEVON AND SOMERSET LAW SOCIETY

(Registration number: 00213866)

Balance Sheet as at 31 December 2022

	Note	2022 £	2021 £
Fixed Assets			
Tangible Assets	<u>5</u>	1	159,404
Investment property	<u>6</u>	210,000	-
		<u>210,001</u>	<u>159,404</u>
Current assets			
Stocks	<u>7</u>	156	363
Debtors	<u>8</u>	45,430	7,406
Cash at bank and in hand		180,481	224,505
		<u>226,067</u>	<u>232,274</u>
Creditors: Amounts falling due within one year	<u>9</u>	<u>(30,772)</u>	<u>(39,774)</u>
Net current assets		<u>195,295</u>	<u>192,500</u>
Net assets		<u>405,296</u>	<u>351,904</u>
Capital and Reserves			
Revaluation reserve		52,393	-
Profit and loss account		352,903	351,904
		<u>405,296</u>	<u>351,904</u>

For the financial year ending 31 December 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Responsibilities of the members of the Committee:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved and authorised by the committee on 1 March 2023 and signed on its behalf by:

A J Richards (President)

R A Adams (Hon. Treasurer and Law Society Council Member)

C D Hart (Hon. Secretary)

DEVON AND SOMERSET LAW SOCIETY

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022

1 General information

The company is a company limited by guarantee, incorporated in the United Kingdom, and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

The address of its registered office is:

Wollens LLP
At Harbourside
67 The Terrace
Torquay
Devon
TQ1 1DP

These financial statements were authorised for issue by the committee on 1 March 2023

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A smaller entities - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' and the Companies Act 2006 (as applicable to companies subject to the small companies' regime).

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The financial statements are presented in £'s.

Going concern

The financial statements have been prepared on a going concern basis.

Judgements

There are no judgements which management have made in the process of applying the accounting policies.

Key sources of estimation uncertainty

There are no key sources of estimation uncertainty that have a significant risk of causing a material adjustment to assets and liabilities to be disclosed.

DEVON AND SOMERSET LAW SOCIETY

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises seminar and sponsorship revenue at the time of the event, employment register income on successful placement, and subscription income at the time of renewal of the membership, which is coterminous with the year end.

Government grants

Grants have been recognised in the accounts under the accrual model. Under the accrual model, grants relating to revenue shall be recognised as income on a systematic basis over the periods in which the entity recognises the related costs for which the grant is intended to compensate.

Tax

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amounts of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible Assets

Tangible Assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Office equipment	10% reducing balance
Computer equipment	33% reducing balance
Land and buildings	50 years straight line

Investment property

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

DEVON AND SOMERSET LAW SOCIETY

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade Debtors

Trade Debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade Debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

Trade Creditors

Trade Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade Creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

DEVON AND SOMERSET LAW SOCIETY

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022 Financial instruments

Classification

Basic financial assets include trade and other debtors, cash and bank balances. Basic financial liabilities include trade and other payables, bank loans and preference shares that are classified as debt.

Recognition and measurement

Basic financial assets are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method. Other debtors are classified as current assets if payment is due within one year or less and are initially recorded at transaction price and subsequently measured at the undiscounted amount of the cash expected to be received. Trade debtors are referred to above.

Basic financial liabilities are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Other creditors are classified as current liabilities if payment is due within one year or less and are recognised initially at transaction price and subsequently measured at the undiscounted amount of the cash expected to be paid. If not, they are presented as non-current liabilities and are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method. Trade creditors and leases are referred to above.

Impairment

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

3 Staff numbers

The average number of persons employed by the company (including officers receiving honorarium) during the year was 4 (2021 - 4).

4 Surplus/deficit before tax

Arrived at after charging

	2022	2021
	£	£
Depreciation expense	1,071	4,829

DEVON AND SOMERSET LAW SOCIETY

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022

5 Tangible Assets

	Long leasehold land and buildings £	President's Jewels £	Office equipment £	Total £
Cost or valuation				
At 1 January 2022	204,971	1	12,377	217,349
Disposals	(204,971)	-	(7,010)	(211,981)
At 31 December 2022	-	1	5,367	5,368
Depreciation				
At 1 January 2022	47,364	-	10,581	57,945
Charge for the year	-	-	1,071	1,071
Eliminated on disposal	(47,364)	-	(6,285)	(53,649)
At 31 December 2022	-	-	5,367	5,367
Carrying amount				
At 31 December 2022	-	1	-	1
At 31 December 2021	157,607	1	1,796	159,404

The President's jewels include both the Devon and also Somerset jewels.

The disposal of the long leasehold building is a transfer to investment property now that this building is being rented to a third party.

6 Investment properties

	2022 £
Transfers to and from owner-occupied property	157,607
Fair value adjustments	52,393
At 31 December	210,000

The investment property was valued by the directors at 31 December 2022.

The fair value adjustment of £52,393 is now reflected in the revaluation reserve.

DEVON AND SOMERSET LAW SOCIETY

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022

7 Stocks

2022 £	2021 £
156	363

Stock of regalia

8 Debtors

2022 £	2021 £
7,102	6,819
275	587
38,053	-
45,430	7,406

Current

Trade Debtors

Prepayments

Other debtors

Details of non-current trade and other debtors

£27,600 (2021 -£Nil) of Other debtors is classified as non current.

9 Creditors

Creditors: amounts falling due within one year

2022 £	2021 £
77	979
5,075	10,229
11,620	14,566
14,000	14,000
30,772	39,774

Due within one year

Trade Creditors

Taxation and social security

Other creditors

Aston Court rent deposit

DEVON AND SOMERSET LAW SOCIETY

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022

10 Related party transactions

Officers' remuneration

The total officers' honorarium for the year was as follows:

	2022	2021
	£	£
Honorarium payments	<u>23,923</u>	<u>21,484</u>

Summary of transactions with related parties

During the year, as reflected above, honorarium was paid to R A Adams (Hon. Treasurer) and C Hart (Hon. Secretary).

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.