



Trustees' Report and Accounts

For the year ended
31 December 2020.

Solicitors Benevolent Association Limited

A charitable company limited by guarantee

registered in England & Wales number 6601907

Registered charity number 1124512

Contents

03	Chairman's Report.
05	The Solicitors' Charity Vision Statement and Values.
07	How we helped in 2020 - in figures.
10	Trustees' Report.
12	Trustees in office during 2020.
23	Statements of Trustees Responsibilities.
25	Auditors Report to the Members.
29	Supporting The Solicitors' Charity.
30	Statement of Financial Activities.
31	Statement of Cash Flows.
32	Balance Sheet.
33	Notes to the Accounts.
42	Who's who at The Solicitors' Charity.

Chairman's Report

When I wrote my Report in 2020 it was impossible to tell what the the impact of the Covid-19 pandemic would be. I did, however, note that The Solicitors' Charity was well placed to weather challenging times since we had a solid financial base and a dedicated team. In fact, we have emerged strongly from all that 2020 dealt us, having both helped many more solicitors in need or crisis than in 2019 and having adapted our support to meet what the profession has told us it needs now.

Through our specially established Hardship Fund and our ongoing core programme we directly supported over 200% more new solicitors than in the previous year. Overall, 399 primary and secondary beneficiaries were directly helped by our financial support.

Support provided through partners also increased. Thanks to our funding, over 400 solicitors in England & Wales receiving emotional support and more than 40 referrals were made for career transitioning or welfare benefits support.

We awarded direct grants and made payments for services to beneficiaries of over £1.25 million during the year.

The increased level of activity and the changing needs in the profession, within the context of the pandemic, meant that a great deal of our focus was on maintaining delivery of quality core services, whilst the whole team worked remotely. I am delighted to say that services continued without interruption throughout the year.

Even within this scenario we took the opportunity to learn more about the emerging needs of the profession through our 'Back to Work' research. Learnings from this exercise have strengthened our thinking around how we approach supporting the wellbeing of members the profession. This has lead us to widen access to our support and to increase the tools at our disposal to ensure that as many of those eligible for support who come to us in need or crisis can return to self-sustainability. We will, though, continue to support those eligible solicitors and dependents who need longer term and indeed, life-long support.

We started 2020 in a strong financial position and this served us well in a year when our investments made only modest gains and income from donations of residual client balances fell significantly. Prudent financial management over many years meant that we could cope well with these challenges as well as additional expenditure driven by the impact of the pandemic. Good stewardship is fundamental to what we do.

Alongside our focus on core activity, we also continued to strengthen our support services and governance. We carried out a re-tendering process for our audit services and began the process to recruit a new Chair Elect and trustees – a process that has been completed with very pleasing results in 2021. We have continued to strengthen our IT systems, making progress with the further development and roll-out of a new CRM system, further strengthening our cyber-security, and engaging external expertise to help us continue to ensure that our data protection approach meets all requirements.

We have also worked hard at developing our communications, including delivering a new website which tells our story better, allowing those seeking help more easily to understand what we do and how we do it. We also took the opportunity to simplify our operating name and are now known simply as The Solicitors' Charity, emphasising those who we are here to support today as we have done since 1858.

I come to the end of my time as Chairman of the Charity in 2021. I am delighted that I will be able to hand over the reins to my successor, Virginia Cannon, who brings to the role a wealth of experience in charitable governance and in the profession. She will lead a Board made up of both experienced solicitor trustees and new recruits with expertise in investment and finance, mental health and welfare benefits. These are all skills that we had identified as needed to strengthen our governance. I am delighted to step down as Chairman knowing that we have made major steps forward in this area.

Finally, I would like to thank all my fellow trustees for the time and expertise that they volunteer to help members of the profession in need. And of course, none of this would be possible without the great dedication, flexibility and effort shown by the staff team as they have switched, seemingly seamlessly, to working remotely. I am immensely grateful to them all.

Your charity has been supporting you and the profession for 163 years. The good stewardship that we continue to demonstrate has enabled us to continue our service and to expand it. I am reminded of a saying: 'Do not have your concert first and tune your instruments after'. It is my great pleasure to have chaired The Solicitors' Charity. I hope I leave it more in tune with the profession than when I started. We are certainly a great instrument and I encourage you to support us so that we can in turn support you.

A handwritten signature in black ink, appearing to read 'Matthew Robbins', with a large, stylized flourish underneath.

Matthew Robbins, Chairman
30 June 2021

Our vision

All solicitors are supported in times of need or crisis.

Our mission

To **support** solicitors and their dependents with financial, practical and emotional aid in times of need or crisis.

To **collaborate** with our volunteers, partners and charities to ensure our beneficiaries can access the right support.

To **engage** with the profession, sharing our experiences to build awareness of the issues facing solicitors and gain funding for our mission.

Our core values

Non-judgmental

Trustworthy

Engaged

Collaborative

Understanding

Professional

How we live our core values

Non-judgmental

- We don't judge people or where they find themselves
- We never 'auto exclude' anyone
- We help people to make a fresh start
- We view each case on its individual merits
- We are a conscience of the profession, not its critics

Trustworthy

- We offer confidential support
- We guarantee indemnity when firms donate unclaimed balances
- Our board consists of solicitors and other experts, who champion the interests of the profession
- We are honest in our advice and transparent in the support we provide

Engaged

- We commit to stay ahead of best practice
- We take time to engage with the profession
- We share knowledge with each other and our partners
- We share information online to help

Collaborative

- We work with the people we support to enable them to identify & articulate their needs, and to make the changes they want to improve their lives
- We partner with other organisations to provide achievable goals and services for beneficiaries
- We don't work in isolation, aiming instead for ongoing, constructive interaction between the people we support, our volunteers and casework staff
- We listen to the profession and respond to its needs
- We help each other get things done

Understanding

- We are human. We take time to understand the person
- We take time to understand life goals
- We listen, research and stay abreast of new information relating to the profession
- We start by listening and work towards achievable goals

Professional

- We take pride in our work
- We work to high professional standards
- We keep records of all our conversations
- Our board includes solicitors from across the profession
- We invest in industry-leading software and processes

Type
%

203%

Increase in new solicitors
helped by us in 2020 and

399

total beneficiaries

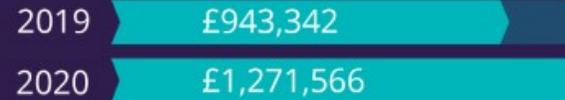


How have we helped?

£1,271,566



of grants and payments
in support of beneficiaries
35% increase from 2019



We Collaborate

414

supported
via LawCare

21

Renovo
referrals

21

CAM
referrals

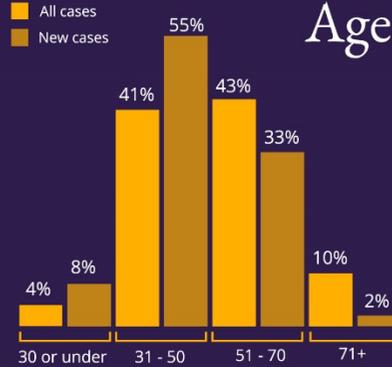
We collaborate with and fund a range of expert partner organisations to make sure solicitors get the support that they need.



Who have we helped?

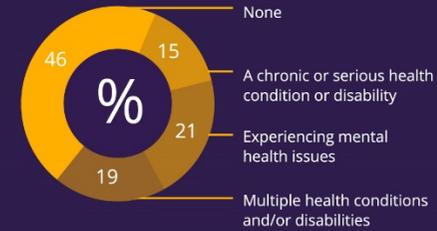
Gender

55%
Female
45%
Male



Age

Chronic and serious health conditions & disability



Ethnicity



All Cases in 2020

69% | **13%** | **12%**
White | Asian | Black
6% all other categories

New Cases in 2020

53% | **22%** | **14%**
White | Asian | Black
11% all other categories

Type
0%

14%

11%

Professional characteristics?

71%

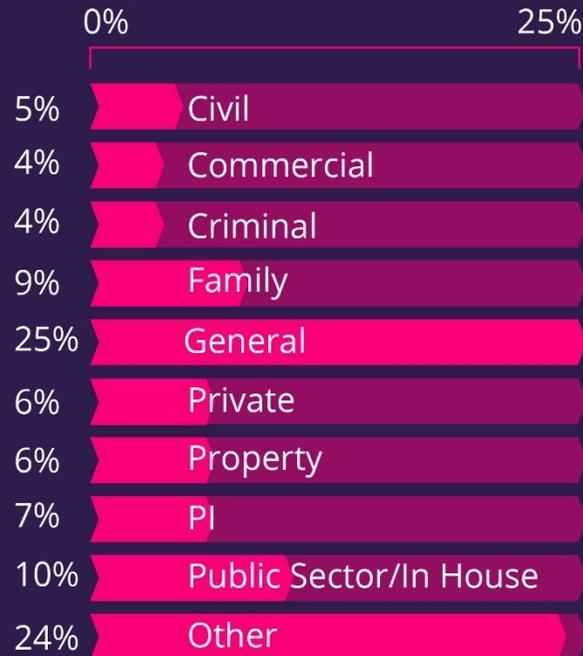
of our primary beneficiaries work for small firms, or are sole practitioners



92%
Solicitors
8%
Dependants

Post-qualification Experience

35% | **37%** | **28%**
0 - 10 years | 11 - 20 years | 20+ years



Regions across England & Wales

- 24% London
- 16% North West
- 14% South East
- 11% South West
- 8% West Midlands
- 8% Yorkshire and Humberside
- 7% Wales
- 6% Eastern
- 4% North East
- 1% East Midlands



Trustees' Report

Introduction

The Solicitors Benevolent Association (SBA), originally instituted in 1858, was incorporated as a charitable company limited by guarantee in 2008. In December 2020, a new operating name of **The Solicitors' Charity** was adopted.

The Articles of Association specify a minimum of ten trustees as directors of the company, all of them to be members of the company. Most will be solicitors or former solicitors and up to three at any one time may be non-solicitor trustees. In the event of dissolution of the company each member bears a maximum liability of £10. In 2020, thirteen trustees were in post (reducing to 12 in June 2020), all but one of whom were solicitors.

In November 2020, a process to recruit a new Chair Elect and trustees with expertise in Mental Health, Welfare Benefits and Investment Management was started with successful candidates selected in spring 2021 and due to join the Board of Trustees throughout the year.

The objects of the Charity are to provide relief and assistance for persons in need who are or who have been admitted to the Roll of Solicitors for England and Wales or who are or have been married to or are or have been the civil partner of solicitors so admitted or who are or have been dependents of solicitors so admitted.

Direct financial assistance can take the form of either a grant or a loan. If the latter, it is invariably interest-free and secured on property. During 2019 the provision of loans was suspended whilst a review was carried out, with loan payments due to be made after March 2019 being converted to grant payments. In March 2020, Trustees resolved that loan payments will, in future, only be paid in a very limited range of circumstances usually directly to third parties for provision of equipment and services to beneficiaries.

In addition to direct support, The Solicitors' Charity funds the provision of services for beneficiaries from expert partners including Citizens' Advice Manchester (CAM), Renovo and Lawcare. Referral and signposting to other sources of help is also used as appropriate to an individual enquirer or applicant's circumstances.

Structure, Governance and Management

The trustees/directors bear overall legal responsibility for the administration of the Charity. It is their responsibility to provide strategic direction to the Charity, to control its affairs, to safeguard its assets, to identify and manage risk and to ensure that the Charity pursues its charitable objects. Trustees are recruited via advertisement and the appointment process is overseen by the Nominations Committee who ensure a fair, inclusive and transparent process. New Trustees can serve a fixed term of two years followed by up to two further terms of four years each.

Trustees are inducted via a tailored process of conversations with their peers, the Chief Executive and staff as well as the provision of key background information and documentation. All new Trustees are offered a mentor for their first year and the opportunity to attend training in the role and duties of a charity trustee. They must undergo data protection training and are required to sign the Trustee Code of Conduct. Formal training opportunities for all trustees are usually carried out at least once per year by way of a Trustee Away Day, though in 2020 the pandemic prevented this.

The Articles of Association provide that the trustees shall meet at least four times a year. Day to day management is delegated to the CEO, Nick Gallagher, who is supported by one part-time and five full-time colleagues, totalling 5.8 full-time equivalents (FTE).

The work of the board is supported by four committees with the Terms of Reference of each being regularly reviewed:

The **Awards Committee** is responsible for awarding grants and loans. It meets as often as monthly and is attended by up to six trustees and up to three volunteers as well as the Casework Team. This structure is designed to provide first-hand experience of issues affecting beneficiaries. The Awards Committee oversees all routine grant and loan decisions in respect of eligible beneficiaries, delegating decisions within explicit scenarios to staff. These delegated arrangements are subject to twice-yearly internal audit as well as annual external audit.

The **Investment, Finance and Audit Committee** (IFAC) scrutinises the work of the Charity's investment managers, the setting of investment and reserves policy, the setting of the annual budget and progress against it. It also recommends, for decision by the full Board, the appointment of auditors, the approval of the annual accounts and the appointment of investment managers.

The **Nominations Committee** is focused on new appointments to the Board.

The **People and Development Committee** focuses on human resources issues for staff and volunteers, including staff and executive remuneration.

Trustees in office 2020 to 2021

Board Officers



Matthew Robbins

Ex-officio member of all committees

Matthew Robbins is The Solicitors' Charity's Chairman, Senior Partner at Jasper Vincent solicitors in Southampton and past President of Hampshire Incorporated Law Society (HILS). He was the first solicitor to arrive at the Law Society conference by canoe, from London to Birmingham along the Grand Union canal in aid of The Solicitors' Charity!



Kirsty McEwen

IFAC, Nominations Committee, People & Development Committee

Kirsty McEwen is the Honorary Treasurer of The Solicitors' Charity. She is a partner at leading Black Country law firm Higgs & Sons. She specialises in advising charities and not-for-profit organisations, including social enterprises, on all aspects of their operations.

Chairs of Committees



Michael Gillman

Nominations Committee (Chair); Investment, Finance and Audit Committee

Michael Gillman became a The Solicitors' Charity trustee in 2009 and was chairman between 2012 and 2015. He was the senior partner and specialist matrimonial solicitor at Bishop & Sewell LLP. Michael was president of the City of Westminster & Holborn Law Society in 2008.



Christl Hughes

Awards Committee (Chair); Nominations Committee

Christl Hughes was the sixth woman in The Solicitors' Charity's history to be appointed Chairman. A former high street solicitor specialising in contentious business, she is now a trustee for the Gender Identity Research & Education Society, a charity offering support to transgender individuals. Christl became President of Leicestershire Law Society in 2020.



Adam Parker

Investment, Finance and Audit Committee (Chair) until March 2021

Adam Parker joined The Solicitors' Charity in 2017 and was only the second non-solicitor to become a Trustee. In 2020 Adam was Head of Midlands Investment Management and a member of the Charity Team at investment firm Tilney. Adam stepped down as Chair of IFAC and trustee in March 2021.



Karen South

People & Development Committee (Chair); Awards Committee

In 2020, Karen South was a solicitor in a 2-partner firm practising from Chancery Lane. Karen's specialisms are employment law and litigation. She also sits as Vice Chair and Child Protection Governor on a school governing body.



Andrew Wauchope

Investment, Finance and Audit Committee (Chair) from March 2021

Andrew is a Chartered Fellow of The Chartered Institute for Securities & Investment and has over 30 years of investment experience including at Quilter Goodison, Gerrard Vivian Grey and Laing & Cruickshank (later UBS). At UBS he was Head of Charities Investment. He performed a similar role at Psigma Investment Management, now Punter Southall Wealth. He has extensive experience as an investment committee chair and finance committee member. He is currently a member of the Court of the Worshipful Company of Ironmongers, a trustee of the Masonic Charitable Foundation, the Sir Halley Stewart Trust and the Accountants Charities as well as being the current Chair of the Harrow Mission Trust.

Board Members



Ginny Cannon

Chair-elect

Ginny Cannon joined The Solicitors' Charity as Chair-elect in March 2021. She is due to take over as Chair in September 2021. A retired in-house commercial solicitor, she is a steward of the City of London Solicitors' Company. Chair of the Friends of Moorfields Eye Hospital until 2021, Ginny is also an independent trustee of the Investment Managers' Charitable Trust.



Anthony Cumming

Awards Committee

Anthony Cumming was an equity partner in Lupton Fawcett of Leeds, being a personal injury specialist. He was president of Leeds Law Society in 2003/4 and was chairman of The Solicitors' Charity in 2001.



Tim Cuthbertson

Tim Cuthbertson is a partner in Blackhams, a small firm in Birmingham city centre where he deals with private client and commercial property work. A member of the board since 1980, he served as chair in 2009-10.



Tanya Dunbar

Nominations Committee

Tanya Dunbar joined The Solicitors' Charity in 2014. She qualified in 2008, having had a previous career as a Business Development Manager for an Internet Service Provider. Tanya practised as a solicitor at Ashfords LLP until early 2016 when she joined the Post Office as an in-house Commercial Lawyer.



Karen Matthews

Awards Committee; People & Development Committee

Karen Matthews joined The Solicitors' Charity in 2014. She is a practising solicitor and a US attorney admitted to the Florida Bar. She is also an Associate of the Institute of Chartered Secretaries. In 2001 she became in-house counsel for an international biotech company based in north-west England.



Haroon Qayum

Nominations Committee

Haroon Qayum is an Associate at Blackhams in Birmingham where he specialises in private client work. Haroon was President of the Cambridgeshire & District Law Society between March 2014 and October 2015.



Shams Rahman

Shams Rahman is a solicitor and partner at leading Lincoln's Inn law firm Edwin Coe LLP, specialising in commercial and property related litigation. He is a member of the Law Society and a regular speaker at events promoting law career development and mentoring of law students and young professionals.



Matthew Rhodes

Matthew Rhodes OBE ended his term of office as a trustee in June 2020. The trustees are grateful for his dedicated service over many years.

Public Benefit

The public benefit of The Solicitors' Charity's work is in providing relief to those in need because of "youth, age, ill-health, disability, financial hardship or other disadvantage" under section 3(1)(j) of the Charities Act 2011. The relevant Charity Commission guidance provides that "it is likely to be charitable to relieve either the poverty or the financial hardship of anyone who does not have the resources to provide themselves, either on a short or long-term basis, with the normal things of life which most people take for granted".

The trustees confirm that they have complied with their statutory duty to have regard to the Charity Commission's guidance on public benefit.

Volunteers

Besides the 13 Trustees who served in 2020, of whom all but one are practising or retired solicitors, the Charity also has a dedicated cohort of volunteers. A review of the role of volunteers was begun in 2019 alongside our approach to safeguarding. The intention had been to restart beneficiary home visits in 2020 with volunteers assisting the caseworkers in assessing the needs of beneficiaries and the impact that the support the Charity offers has on their lives. Because of the effects of the pandemic, home visits were impossible. However, 'befriending' calls were offered to all beneficiaries and these were taken up by a small number.

One volunteer, a trainee solicitor, worked alongside the staff team throughout 2020 administering the Hardship Fund that had been established to meet the needs of solicitors affected by the pandemic.

Learning from the experiences of solicitors during the pandemic gained through conversations across the profession has given greater insight into a wider variety of roles that volunteers might play in supporting solicitors in need. These new approaches will be included in the development and relaunch of the Charity's volunteer programme in 2021.

Grant-Making Policy

To receive an award, applicants must meet The Solicitors' Charity's beneficiary criteria. Applicants are assessed for eligibility using the Joseph Rowntree Minimum Income Standard as the starting point. This looks at the incomes different households require to meet a minimum standard of living broadly accepted in society as decent. Applicants with liquid assets greater than £10,000 are ineligible for financial support.

The needs of beneficiaries are considered with a view to ensuring a return to self-sufficiency wherever possible. Where this is not possible, due, for instance, to chronic ill-health, disability or age, longer-term support can be provided. For all beneficiaries, our approach is to support

interventions that deliver long-lasting positive change in all aspects of wellbeing – financial, mental and physical, social and professional.

Given learning from the experiences of solicitors during the pandemic, access to support has been widened in 2020 explicitly to include solicitors with no work or whose work has been much reduced. The standard eligibility criteria apply in such situations.

Consideration of applications is overseen by the Awards Committee within their Terms of Reference. A range of decisions, within agreed parameters, is delegated to staff. Delegated awards are kept under review by the Awards Committee and are subject to twice yearly internal audit by a trustee independent of the Awards Committee, reporting to IFAC and the full board. Applicants may be awarded: grants to assist with cost of living; debt relief; support from partner services detailed below; or, in exceptional circumstances, loans secured against property and paid to third parties for the provision of services. The Charity does not usually pay off debt accumulated as a result of periods of study for higher or professional qualifications, nor does it pay off business debt.

The Board retains the discretion to act as it sees fit in exceptional circumstances.

Collaboration to ensure beneficiaries get the right help at the right time

Working in collaboration with other charities and service providers helps us to deliver more services to our beneficiaries, utilising the expertise that these partners supply.

LawCare – During 2020, LawCare provided emotional support and guidance to 441 (2019: 225) solicitors in England and Wales via its helpline, using funds provided by The Solicitors' Charity. The level of funding was increased significantly in 2020.

Renovo – 21 (2019: 15) beneficiaries were referred to Renovo for career support. Eligible beneficiaries are supported by financial assistance for up to a year whilst they undertake the three-month long course and actively seek a new position.

Citizens Advice – During 2020, The Solicitors' Charity funded 21 (2019: 69) referrals for expert, priority advice on state benefits and debt management from the advice centre in Manchester.

Achievements and Performance

The key performance indicators used to measure progress on achieving objectives and delivering strategy can be seen from the statistics below (2019 in brackets):

- Grants and loans were paid directly to support 399 (292) primary and secondary beneficiaries.
- There was a 203% increase in the number of new solicitors supported.
- 441 solicitors in England & Wales were assisted via The Solicitors' Charity's support of LawCare (225).
- A total of £1,271,565 (£943,342) was awarded in grants directly to beneficiaries, payments to partner organisations to provide services to beneficiaries and loans converted to grants.
- No Loans were awarded to beneficiaries (2019: £164,839)
- Total funds reduced from £25.7m to £24.8m due to Net Expenditure of (£0.9m) (2019: Net Income £0.2m) and gains on the investment portfolio of £0.01m (2019: £2.5m).

Key Management Salaries

The Solicitors' Charity is committed to rewarding its people to recognise their effort and to retain their skills, and to attract new high-calibre staff. The charity believes in the importance of transparency in how it sets pay and is particularly conscious of the need for clarity and openness in setting executive pay.

Decisions on pay for all staff are made by the Board of the Charity. All members of the Board, including the Chair, are independent volunteers who bring their skills, knowledge and expertise from outside the organisation to decision-making. A sub-committee of the Board, the People & Development Committee (which is made up of volunteer Board members), scrutinises pay proposals in detail on behalf of the full Board.

Transparency and reporting

The Charity has adopted a pay policy that applies to all staff in the organisation. In line with good practice, the draft policy was shared with staff for comment before trustee approval. The policy clearly sets out how recommendations on pay increases are to be governed, the parameters to be considered in making decisions about pay, how and when grading and benchmarking of salaries is to be carried out and the importance of independent review in the grading and benchmarking process.

Under the terms of the Pay Policy, decisions on pay are made by the full Board, on the recommendation of the People and Development Committee following scrutiny of a formal annual proposal. Responsibility for the application of the Pay Policy in respect of the CEO lies with the Chair of the Board. Application of the Pay Policy with regards to all other staff lies with the CEO.

Proportionality of executive pay

The Charity considers how proportionate executive pay is both to the external market and in relation to other pay in the organisation. In common with all other roles in the Charity, the CEO's salary is assessed against similar roles in similarly sized and located organisations within similar sectors, using the benchmarking process outlined in the Pay Policy.

The Charity pays due regard to NCVO and ACEVO good practice guidance on ratios between executive salaries and those of other employees. The Board has agreed a maximum cap of 3:1 between the salary of the CEO and the median of all other salaries in the organisation.

To calculate this ratio the CEO's salary is compared with the median of all other full-time equivalent salaries. Where there is an even number of staff, the average of the two middlemost salaries in the set is used.

The ratio of CEO to median staff pay at 1st January 2021 will be 1.76:1.

Executive performance

In common with all staff of the organisation, the CEO is subject to a 6-month probationary period. Successful completion of the CEO's probationary period is assessed by the Chair and one other member of the Board.

Annual KPIs for the CEO are agreed between the Chair and the CEO and shared with all trustees and staff. Performance is monitored in regular meetings between the Chair and CEO and a formal annual performance appraisal is carried out by the Chair and one other member of the Board.

In adopting its current pay policy, the Charity has chosen not to use individual performance related pay, though organisational performance is a factor considered in setting across the board pay rises.

Recruitment and retention

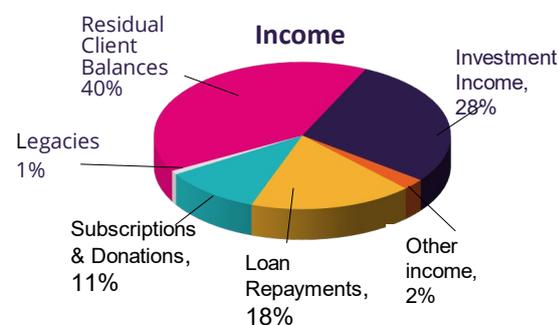
Since attracting high-calibre staff who can help grow and develop the Charity is important to the organisation, the Charity recognises the need to be competitive in the labour market whilst paying due regard to prudent use of charitable funds.

The Pay Policy sets out an approach to benchmarking that ensures salaries for all staff are commensurate with those of people performing similar roles in similarly sized and located organisations within similar sectors. Taking account of affordability, it is the aim of the Charity to pay all salaries including that of the CEO at, or above, the median of the benchmarked salary range for each role. However, salaries will not normally be paid above the level of the third quartile of the relevant benchmark.

The Charity also offers a pension scheme with staff contributions matched by the employer as well as a holiday leave entitlement above statutory guidelines.

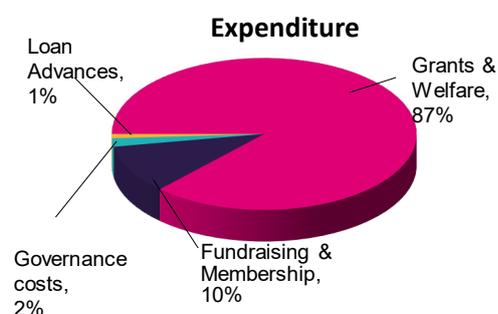
Financial Review

	2020	2019
Income		
Subscriptions and Donations	153,558	81,187
Legacies	12,664	262,211
Residual Client Balances	610,965	914,454
Investment Income	429,104	592,148
Other Income	36,500	45,265
Loan Repayments	272,494	265,137
	<u>1,515,285</u>	<u>2,160,402</u>



(Loan Repayments and Advances are not included in the SOFA)

	2020	2019
Expenditure		
Grants and Welfare	1,875,336	1,476,916
Fundraising & Membership	222,738	193,936
Governance Costs	38,431	25,477
Loan Advances	20,127	83,458
	<u>2,156,632</u>	<u>1,779,786</u>



Total income for the year {2019} (excluding loan repayments) amounted to £1,242,791 (£1,895,265). Total expenditure for the year (excluding loan advances) amounted to £2,136,505

{1,696,329}. The consequent net expenditure before investment gains and losses was (£893,714) (2019: Net income: £198,936).

Other recognised gains and losses included gains on investments amounting to £10,441 {£2,456,430}. When added to the net income and the funds brought forward, total net assets have decreased to £24,827,045 {£25,710,318}. The principal net assets are the investment portfolio of £19,430,141 {£19,437,474} and the secured loans to beneficiaries of £4,113,820 {£4,400,621}.

The principal source of funding for The Solicitors Charity is conditional donations of residual client balances from solicitors' firms. The Solicitors Regulation Authority allows for donation of client balances to charity in the event the client is untraceable. The Solicitors' Charity offers an indemnity for all client balances received. The Charity holds sufficient funds to repay any client balances transferred to it under the Solicitors Account Rules. The balances are used to build The Solicitors' Charity's investment to produce income to fund charitable grants or for funding occasional interest free- loans to beneficiaries secured on property. They are not available directly to fund the general activities of the Charity until 15 years after receipt.

The Charity continues to receive donations from individual solicitors, firms and law societies. These are gratefully received, and the income is utilised in year to make a positive difference to the lives of our beneficiaries through grants, support commissioned from partners and occasional secured loans. The Solicitors' Charity does not use professional fundraisers to raise funds.

Investment Policy

The investment objectives are to achieve a balanced return in terms of capital growth and income from a portfolio of investments with a medium / high risk profile. The total return in 2020 was 2.25% (2019, 18.75%). The investment policy is reviewed annually.

The investment is a significant asset and its management requires appropriate skill. The Solicitors' Charity has appointed Investec Wealth management as its investment managers. IFAC is chaired by a trustee with investment management expertise and the investment managers meet formally with that Committee twice yearly.

Reserves

The trustees consider that targeting a level of free reserves of three years current annual expenditure is appropriate. This position is kept under review. Beneficiaries have historically been supported for an average of 7.8 years; the reserves allow for continued support to beneficiaries if the Charity's income is reduced and action in time of major crisis – such as the Covid-19 pandemic.

Free reserves at the end of 2020 were £ 5,823,976 (approximately 23% of the Charity's overall wealth). These exclude endowment funds, tangible fixed assets, long term liabilities, designated funds and funds which have been applied to beneficiary loans. Three years' expenditure is £6.43m.

Given prudent financial management over previous years, the trustees were in a position to identify £1m from free reserves to form a Hardship Fund to meet the increased needs of the profession resulting from the pandemic. The healthy free reserves also provided a buffer against any losses on investments and reductions in donations. These were thought possible because of

the impact of Covid-19 on financial markets, available work for firms and on the personal finances of solicitors.

The Charity has planned for a further wave of pandemic related need in 2021 and hence has budgeted for free reserves to be below the targeted level in the medium-term. Planning based on modelling a number of scenarios, underpins this approach.

Risk Management

The trustees current risk management strategy comprises:

- An annual review by the Board of the principal risks and uncertainties that the Charity faces with a mid-year update to the full board and quarterly reviews at executive level. The CEO and the Operational Manager use the Risk Register as a living document informing operations.
- The establishment of policies, systems and procedures to mitigate those risks identified in the annual review; and
- The implementation of procedures designed to minimise or manage any potential impact on the Charity should those risks materialise.

For the sake of good governance, the trustees have commissioned a formal external review of risk management approaches and methodologies to report in June 2021.

Principal risks and their management are set out below:

Software security	Given the rising threat levels experienced in 2020, major investments were made in moving server provision to the Cloud and enhancing security levels including introduction of multi-factor authentication. IT user policies reviewed and tightened (including for home working). External Data Protection Officer engaged to provide expert advice and guidance. Penetration test of new website carried out by cyber-security consultants before launch.
General awareness & communication amongst potential Beneficiary pool	Communications strategy rolled out including advertising campaign around Hardship Fund. Communications focus on a 'help spread the word' message. New, more user-friendly website makes finding help easier. CEO addressed a range of professional groups and local law society AGMs through videoconferencing during pandemic lockdowns.
Charity's awareness of full range of need amongst its potential beneficiaries	A major information gathering exercise was carried out in 2020 which led to revisions in access to support. These better reflect the current needs of the profession. This exercise has led to the establishment in 2021 of a Reference Panel, with

	<p>solicitors from across the profession helping with horizon scanning. The Charity's CEO also meets regularly with other providers of support to the profession to keep abreast of developments.</p> <p>Following a full skills audit, a successful recruitment campaign for trustees was begun in 2020 resulting in enhanced skills and knowledge of mental health and welfare benefits on the Board from 2021 onwards.</p>
<p>Severe loss of income</p>	<p>New supporter management database in place. New website and brand refresh in 2021 as part of ongoing communications strategy. Review of fundraising potential income sources now scheduled in 2021. Prudent financial management with regular financial scenario planning undertaken taking account of income loss possibilities.</p>

The trustees are satisfied that the major risks to which the Charity is exposed have been identified and that systems and procedures have been established to manage them successfully.

Future Plans

The impact of the Covid-19 pandemic meant that priorities in 2020 shifted to ensuring provision of a quality service for a significantly increased number of new and continuing beneficiaries whilst operating remotely. We were also able to learn about, and tailor our response to emerging needs within the profession.

This means that a number of outcomes originally planned for 2020 have become key outcomes for 2021 alongside new items:

- Continuing to grow the number of people we support.
- Reversing the fall in income seen as a result of the pandemic.
- Appointment of a new Chair Elect, and trustees with skills and experiences in investment, mental health and welfare benefits.
- Final completion and operationalisation of the new CRM system.
- Widening our supporter base.
- Creation of a wider range of volunteering opportunities, reflecting our mission to support, to engage and collaborate.

- Review of our income generation and risk management approaches, creation of new plans in these areas and operationalisation.
- Review of investment management arrangements.
- Review of our strategic approach in particular focussing on prioritising wellbeing.

Trustees' responsibilities in respect of the preparation of the accounts

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the Accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable Company will continue in business.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Statement as to disclosure of information to the Auditors

In so far as the trustees are aware:

- there is no relevant audit information of which the charity's auditor is unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Accounting Principles

This report has been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the "Financial Reporting Standard FRS 102" applicable in the UK and Republic of Ireland published in October 2019

Approved by the Board of Trustees on 30 June 2021 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'Matthew Robbins', with a long horizontal flourish extending to the right.

Matthew Robbins, Chairman

Independent auditor's report to the members of Solicitors Benevolent Association Ltd

Opinion

We have audited the financial statements of Solicitors Benevolent Association Ltd (the 'charity') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 23, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 the 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. Based on our understanding of the charity and its activities, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006 and the Charities Statement of Recommended Practice.

We evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to use of restricted and endowment funds, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the trustees and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Use of the audit report

This report is made solely to the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

Signed:


Nicola Wakefield (11/22/2021 16:19 GMT+1)

Nicola Wakefield

(Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

2nd Floor, 6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS

Date: 22-Jul-2021

Supporting The Solicitors' Charity

Annual Donations

Individual solicitors support The Solicitors Charity by making one-off or regular donations, through the life membership scheme or by making an annual donation, for which the recommended amount is £60 per partner. Law firms also make regular donations on behalf of their partners and employed solicitors. Substantial payments from firms in 2020 included the following:

	£
Browne Jacobson LLP	750
Tozers	275
Cartmell Shepherd Solicitors	250
Wartnaby Hefford Solicitors	240
Gross & Co	200
HFT Gough & Co	200
Taylor Vinters	200

Other Donations

Generous donations were also received from:

	£
Queens Counsel Appointments	100,000
The HM Hubbard Will Trust	20,000
The Pritt Fund	14,000
The City of London Solicitors Charitable Trust	2,500

Legacies

	£
Basil L. V. Richards	8,576
Martin Charles Broker	4,032
Valerie Marie Thompson	55
Harold Moreton	2

Residual Client Balances

Solicitors may transfer unclaimed balances in their firm's client account on a conditional basis, in the knowledge that The Solicitors' Charity retains substantial reserves which would enable repayment of the balance if claimed by the person entitled. Solicitors Regulation Authority approval is required for transfer of individual sums over £500.

Residual Client Balances are a large part of The Solicitors' Charity's income and we are grateful to all firms who send their client balances to us.

Local Law Societies

Donations were gratefully received from the following

Law & Notary Societies:

	£
Bournemouth & District Law Society	1,050
Cornwall Law Society	1,000
Notaries Society	250
Northamptonshire Law Society	250
Middlesex Law Society	100

Statement of Financial Activities
For the year ended 31 December 2020
(Incorporating the income and expenditure account)

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2020 £	Total Funds 2019 £
INCOME						
Donations and Legacies	3	777,187	36,500	-	813,687	1,303,117
Investment Income	5	429,104	-	-	429,104	592,148
Total Income		1,206,291	36,500	-	1,242,791	1,895,265
EXPENDITURE						
Raising Funds	6	218,786	-	3,952	222,738	193,936
Charitable Activities	7	1,877,267	36,500	-	1,913,767	1,502,393
Total Expenditure		2,096,053	36,500	3,952	2,136,505	1,696,329
NET (EXPENDITURE)/ INCOME before gains on investments						
		(889,762)	-	(3,952)	(893,714)	198,936
Net gains on Investments	12	8,000	-	2,441	10,441	2,456,430
NET MOVEMENT IN FUNDS		(881,762)	-	(1,511)	(883,273)	2,655,366
RECONCILIATION OF FUNDS:						
Funds brought Forward		19,700,733	-	6,009,585	25,710,318	23,054,952
TOTAL FUNDS CARRIED FORWARD		18,818,971	-	6,008,074	24,827,045	25,710,318

The Statement of Financial Activities includes all gains and losses recognized in the financial year.

All income and expenditure derive from continuing activities.

The notes on pages 33 to 41 form part of these accounts

Statement of Cash Flows
For the year ended 31 December 2020

	Note	Total Funds 2020 £	Total Funds 2019 £
Net Cash (used in)/ provided by operating activities	22	(784,930)	262,999
<i>Cashflows from investing activities:</i>			
Interest and dividends	5	429,104	592,148
Purchase of investments (excluding cash equivalents)	12	(4,387,138)	(4,741,851)
Proceeds from sale of investments	12	4,404,912	4,010,618
Net Cash provided by/(used in) investing activities		446,878	(139,086)
Change in cash and cash equivalents in the year		(338,052)	123,913
Cash and cash equivalents brought forward		1,831,545	1,707,632
Cash and cash equivalents Carried forward	23	1,493,493	1,831,545

**Balance Sheet as at
31 December 2020**

	Note	Unrestricted Funds £	Endowments Funds £	Total Funds 2020 £	Total Funds 2019 £
Fixed Assets					
Tangible Fixed Assets	11	190,980	-	190,980	182,403
Investments	12	13,422,067	6,008,074	19,430,141	19,437,474
Secured loans to beneficiaries		4,113,820	-	4,113,820	4,400,621
		17,726,867	6,008,074	23,734,941	24,020,498
Current Assets					
Debtors	13	143,150	-	143,150	180,401
Cash and cash equivalents	23	1,493,493	-	1,493,493	1,831,545
		1,636,643	-	1,636,643	2,011,946
Creditors falling due within one year	14	(533,863)	-	(533,863)	(310,264)
Net current assets		1,102,780	-	1,102,780	1,701,682
Total Assets less Current Liabilities					
		18,829,647	6,008,074	24,837,721	25,722,180
Creditors falling due After more than one year	15	(10,676)	-	(10,676)	(11,862)
Net Assets		18,818,971	6,008,074	24,827,045	25,710,318
Funds					
Unrestricted Funds					
General Fund	19	6,897,050	-	6,897,050	7,934,945
Residual Client Balances					
Undesignated Fund	19	3,227,879	-	3,227,879	3,227,879
Designated Fund	19	8,694,042	-	8,694,042	8,537,909
Endowment Funds	18	-	6,008,074	6,008,074	6,009,585
Total Funds		18,818,971	6,008,074	24,827,045	25,720,318

The notes on pages 33 to 41 form part of these accounts. Solicitors Benevolent Association Limited
Registered company number: 6601907

Registered charity number: 1124512

These accounts on pages 29 to 41 were approved by the Board of Trustees and authorised for issue on 30 June 2021 and signed on its behalf by:



Matthew Robbins, Chairman



Kirsty McEwen, Honorary Treasurer

**Notes to the Accounts
for the year ended
31 December 2020**

1. Accounting Policies

The Solicitors Benevolent Association is a company limited by guarantee, incorporated in England and Wales. The principal activity of the charity is to alleviate personal financial hardship amongst enrolled solicitors and their dependents. The financial statements are presented in Sterling and this is the functional currency of the Charity. The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards. In preparing the financial statements the Charity follows best practice as set out in the Statement of Recommended Practice : 'Accounting and Reporting by Charities' (SORP), the Financial Reporting Standard applicable in the United Kingdom and Ireland (FRS 102) and the Charities and Companies Acts.

A summary of the more important accounting policies, which have been applied consistently, is set out below.

- (a) All income is recognised once the Charity has entitlement to the income, there is sufficient certainty of receipt and it is probable that the income will be received, and the amount of income receivable can be measured reliably.
- (b) Life subscriptions are credited to a deferred income account in the balance sheet when received. One tenth of the balance of this account is credited each year to income (see note 15).
- (c) Investment income is accounted for on an accruals basis.
- (d) Grant awards are communicated to beneficiaries immediately. These are frequently agreed to be payable over a period, but the full cost including unpaid awards is recognised in expenditure immediately.
- (e) Direct costs are allocated to the appropriate heading in the SOFA as follows:
 - 1. Raising Funds comprises advertising relating to fund raising, business development, membership, and event costs.
 - 2. Charitable activities comprises grants to individual beneficiaries, welfare, advertising directed at beneficiaries and associated legal costs. It also includes Governance costs comprising costs associated with constitutional and statutory requirements. Support costs comprises the apportionment of common office costs between the fund-raising activities and the charitable activities, in proportion to the staff in each of these areas.
- (f) Freehold land is not depreciated but the freehold building is written off in equal instalments over 50 years.
- (g) Office equipment costing less than £500 is not capitalised but is written off on acquisition through the Statement of Financial Activities. Furniture and Equipment is depreciated over ten years. IT equipment is depreciated over three years.
- (h) Fixed asset investments are stated at closing mid-market value at the balance sheet date. Movement in the carrying value of any investment is treated as unrealised, except in the year of disposal when the surplus or loss on disposal is shown as realised and represents the difference between either the brought forward carrying value, or cost, if purchased in the year, and disposal proceeds. Partial disposals are accounted for using average book value. Any gain or loss on revaluation is taken to the SOFA All gains and losses are taken to the SOFA as they arise. Realised and unrealised gains are combined in the SOFA and are shown separately in note 12.(i) Cash and cash equivalents are cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.
- (j) Secured Loans are made to beneficiaries where the beneficiary has assets which might enable repayment on the sale of those assets. Loans are recognised when paid, and any outstanding commitment is noted in the accounts. The loans, which are protected by a notice at the Land Registry are included in the balance sheet as fixed assets. Unsecured loans are included in the balance sheet as debtors at their estimated recoverable value.
- (k) Details of the nature and purpose of each fund is set out in notes 18, 19 and 20.
- (l) The Charity only has financial asset and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction values and subsequently measured at their settlement value.(m) In applying the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. These are based on the most reliable evidence at the time and are reviewed regularly. The key estimates and assumptions made in these accounts are the provision for irrecoverable loans and the allocation of support costs between activities.

Notes to the Accounts
for the year ended
31 December 2020
Continued

Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2019 £
2. Previous Year Statement of Financial Activities Analysis				
INCOME				
Donations and Legacies	1,257,852	45,265	-	1,303,117
Investment Income	592,148	-	-	592,148
Total Income	1,850,000	45,265	-	1,895,265
EXPENDITURE				
Raising Funds	189,768	-	4,168	193,936
Charitable Activities	1,457,128	45,265	-	1,502,393
Total Expenditure	1,646,896	45,265	4,168	1,696,329
NET INCOME/(EXPENDITURE)				
before other recognised gains and losses	203,104	-	(4,168)	198,936
Other recognised gains and losses				
Realised gains on investment assets	282,245	-	87,055	369,300
Unrealised gains on investment assets	1,595,134	-	491,996	2,087,130
NET MOVEMENT IN FUNDS	2,080,483	-	574,883	2,655,366
Funds brought forward	17,620,250	-	5,434,702	23,054,952
TOTAL FUNDS CARRIED FORWARD	19,700,733	-	6,009,585	25,710,318

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2020 £	Total Funds 2019 £
3. Donations and Legacies					
Annual subscriptions and Donations	152,372	-	-	152,372	79,869
Life subscriptions (see note 15)	1,186	-	-	1,186	1,318
Legacies	12,664	-	-	12,664	262,211
Other charities (see note 20)	-	36,500	-	36,500	45,265
Residual client balance donations (see note 19)	610,965	-	-	610,965	914,454
	777,187	36,500	-	813,687	1,303,117

No Client balances were received from Jasper Vincent Ltd (2019: £214). SBA Trustee Matthew Robbins is a Board member for Jasper Vincent.

Client balances of £1,696 (2019: £336) were received from KPM Solicitors. SBA Trustee Karen South was a Director in the firm.

Notes to the Accounts
for the year ended
31 December 2020
Continued

	Unrestricted Funds	Total Funds 2020	Total Funds 2019
	£	£	£
4. Fundraising Activities			
Events	-	-	-
5. Investment Income			
Income from listed investments	427,388	427,388	589,705
Interest on cash deposits	1,716	1,716	2,443
	429,104	429,104	592,148

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2020	Total Funds 2019
	£	£	£	£	£
6. Raising Funds					
Costs of raising voluntary income					
Business development and advertising	167	-	-	167	1,383
Repayments of residual client balance donations (see notes 18 and 19)	2,055	-	3,952	6,007	6,336
Investment portfolio management fees	77,797	-	-	77,797	81,708
Salary costs	38,909	-	-	38,909	26,865
Support costs (see note 10)	99,858	-	-	99,858	77,644
	218,786	-	3,952	222,738	193,936

	Unrestricted Funds	Restricted Funds	Total Funds 2020	Total Funds 2019
	£	£	£	£
7. Charitable Activities				
Grants to beneficiaries				
Cost of living allowances	865,756	36,500	902,256	598,246
Supplementary, special and miscellaneous grants	255,369	-	255,369	245,499
Nursing home fees	-	-	-	15,142
LawCare	90,000	-	90,000	66,000
Citizens Advice Manchester	4,980	-	4,980	7,320
Renovo Fees	18,960	-	18,960	11,135
	1,235,065	36,500	1,271,565	943,342
Welfare salaries, travel, admin and legal costs	212,609	-	212,609	205,004
Support costs (see note 10)	391,162	-	391,162	328,570
Governance costs (see note 8)	38,431	-	38,431	25,477
	1,877,267	36,500	1,913,767	1,502,393

Direct grants, loan write-offs, and other payments in support of beneficiaries totalled £1,271,565 (2019: £943,342). This figure includes provisions and write-offs against repayments of secured loans totalling £36,254 (2019: £44,966).

In addition, secured loans totalling £20,127 (2019: £83,458) were advanced to beneficiaries. These loans had been awarded before 2020 but not previously claimed. No loans were awarded in 2020 (2019: £164,839).

Repayments of secured loans totalling £269,119 (2019: £255,476) and unsecured loans totalling £1,820 (2019: £9,662) were received.

**Notes to the Accounts
for the year ended
31 December 2020
Continued**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £	Total Funds 2019 £
8. Governance Costs				
Auditors' remuneration - audit services	11,577	-	11,577	9,600
Trustee recruitment	24,000	-	24,000	-
Cost of Trustees' meetings and travel	2,854	-	2,854	15,877
	38,431	-	38,431	25,477

Expenses reimbursed to 3 Trustees (2019:9) for travel amounted to £943 (2019: £5,204). No other reimbursements were made to Trustees. A process resulting in the recruitment of 5 new trustees was begun in 2020, costing £24,000.

	Staff Costs £	Other Costs £	Total 2020 £	Total 2019 £
9. Total Expenditure				
Raising Funds (see note 6)	92,720	130,018	222,738	193,936
Charitable activities (see note 7)	330,858	1,582,909	1,913,767	1,502,393
	423,578	1,712,927	2,136,505	1,696,329

Staff costs

Wages and salaries	369,029	342,687
Social security costs	32,249	28,324
Pension costs	18,112	10,807
Staff Training Costs	4,188	4,059
	423,578	385,877

Other costs

Grants to beneficiaries	1,271,565	943,342
Premises, equipment and administrative	245,194	160,884
Business development, advertising, legal, audit and trustee expenses	190,161	280,492
Repayments of residual client balances (see notes 18)	6,007	6,336
	1,712,927	1,391,054

Employees who received emoluments:	2020	2019
Above £90,000	-	-
£80,001 to £90,000	1	-
£70,001 to £80,000	-	-
£60,001 to £70,000	-	-

The average monthly head count was 6.8 staff (2019: 5.9), and the average monthly number of employees on a full time equivalent basis was:	2020	2019
Beneficiary welfare	2.8	2.8
Fundraising, membership and publicity	1.0	1.0
Management and administration	3.0	2.1
	6.8	5.9

The total emolument the CEO received in 2020 was £84,133 of which salary was £80,000 and employer pension contribution was £4,133. In 2019 the CEO's role was filled on an interim basis until June 2019. The interim CEOs up to June 2019 and permanent CEO appointed in June 2019 collectively received £94,522. No individual received an emolument greater than £60,000.

The board of directors, who are the Charity's trustees, and the Chief Executive comprise the key management personnel of the charity in charge of directing, controlling and operating the Charity. All trustees give of their time freely and no trustee received remuneration in the year. Details of trustees' expenses are disclosed in note 8 to the accounts.

**Notes to the Accounts
for the year ended
31 December 2020
Continued**

Charities are encouraged to report not just figures but also pay ratios against median salaries. The ratio of the CEO's salary when compared to the median salary is 1.83:1. As some staff are part-time, the ratio remains the same as 1.83:1 after adjustment to equivalent full-time salaries.

Staff pay is founded on the principle that the Board of The Solicitors' Charity wishes to attract high calibre staff capable of contributing actively to the drive to professionalise the charity in everything that it does. The trustees' approach to pay is set out in the 2020 Trustees Report.

The Solicitors' Charity has Indemnity Insurance costing £2,270 (2019 : £1,658) to protect the charity from loss arising from the neglects or defaults of its trustees, employees or volunteers, and to indemnify the trustees, officers and volunteers against the consequences of any neglect or default on their part.

	2020 £	2019 £
10. Support Costs		
Breakdown of support costs		
Management and administrative salaries	245,826	245,330
Office accommodation and administration costs	245,194	160,884
	491,020	406,214
Allocation of support costs		
Charitable activities	391,162	328,570
Costs of raising voluntary income	99,858	77,644
	491,020	406,214

Support costs are allocated between Charitable activities and Costs of raising voluntary income in proportion to direct salary costs incurred in each area. The apportionment represents 257% of direct salary costs (2019: 289%).

Support costs represent 38% (2019: 40%) of grants and loans made to beneficiaries.

	Freehold Land £	Freehold Buildings £	Furniture & Equipment £	Total £
11. Tangible Fixed Assets				
Cost b/f at 1 January 2020	100,000	172,161	40,141	312,302
Additions in the year	-	-	17,844	17,844
Cost c/f at 31st December 2020	100,000	172,161	57,985	330,146
Depreciation b/f at 1 January 2020	-	(106,671)	(23,228)	(129,899)
Depreciation charge for the year	-	(3,443)	(5,824)	(9,267)
Depreciation c/f at 31 December 2020	-	(110,114)	(29,052)	(139,166)
Net book value at 31 December 2020	100,000	62,047	28,933	190,980
Net book value at 31 December 2019	100,000	65,490	16,913	182,403

There were no capital commitments (2019 : £nil).

**Notes to the Accounts
for the year ended
31 December 2020
Continued**

	2020	2019
	£	£
12 Fixed Asset Investments		
Quoted investments		
Market value at 1 January	19,437,474	16,249,810
Additions	4,387,138	4,741,851
Disposals	(4,404,912)	(4,010,618)
Net realised (losses)/gains	(587,896)	369,300
Net unrealised gains	598,337	2,087,131
Market value at 31 December	19,430,141	19,437,474
Historical cost as at 31 December	14,616,260	15,523,381
Investments analysis at 31 December		
UK Fixed Interest	958,036	1,587,051
Overseas Fixed Interest	795,434	217,049
UK Equities	4,997,272	6,723,622
Overseas Equities	10,213,424	7,695,606
Property and Other	2,465,975	3,214,146
	19,430,141	19,437,474

At 31 December 2020 there were no investments exceeding 5% of the investment portfolio market value.

	Unrestricted Funds	Permanent Endowment		Total Funds 2020	Total Funds 2019
		Main Fund	Residual Client Balance Fund		
	£	£	£	£	£
Gains on Investment Assets					
Realised (losses)/gains on disposals	(450,480)	(47,051)	(90,365)	(587,896)	369,300
Unrealised gains (see note 21)	458,480	47,887	91,970	598,337	2,087,131
	8,000	836	1,605	10,441	2,456,431

Gains or Losses on Investment Assets during the year are allotted to the Permanent Endowment Funds in the proportion that the opening bears to Total Funds, and the balance is allocated to Unrestricted Funds.

	2020	2019
	£	£
13. Debtors		
Income tax recoverable	676	676
Unsecured loans to beneficiaries	6,524	8,344
Prepayments	19,006	18,135
Other debtors	116,944	153,246
	143,150	180,401

Unsecured loans to beneficiaries have no predetermined repayment date and accordingly may not be repaid within twelve months of the balance sheet date.

**Notes to the Accounts
for the year ended
31 December 2020
Continued**

	2020	2019
	£	£
14. Creditors: amounts falling due within one year		
Trade creditors and accruals	149,781	57,260
Unpaid beneficiary awards	371,317	241,187
Other tax and social security	12,765	11,817
	533,863	310,264

	2020	2019
	£	£
15. Creditors: amounts falling due after more than one year		
Life subscriptions - Balance at 1 January	11,862	13,180
Received during the year	-	-
	11,862	13,180
Transferred to income	(1,186)	(1,318)
Balance at 31 December	10,676	11,862

16. Contingencies and Commitments

The Solicitors' Charity has a contingent liability to return any part of residual client balance donations received to contributing firms. On 31 December 2020, the total received net of repayments amounted to £15,600,111 (2019: £14,995,154) of which sums received between 1st March 2013 and 31st December 2015 totaling £3,214,899 excluding investment gains and losses (2019: £ 3,218,851) are held in a Permanent Endowment Fund (see notes 17 and 18).

At 31 December 2014 (more than 6 years ago) residual client balance donations were £8,798,537 (At 31/12/13 £7,938,912).

At 31 December 2005 (more than 15 years ago) residual client balance donations were £3,569,904 (At 31/12/04 £3,316,923).

There is a commitment to pay secured and unsecured loans totaling £24,873 (2019: £132,921) which have been authorised but not yet paid.

17 Analysis of Net Assets between Funds

The Endowment Fund comprises solely of investments. All other assets are included in the General Fund.

	Permanent Endowment		Total Funds £
	Main Fund £	Residual Client Balance Fund £	
18 Endowment Funds			
At 1 January 2020	2,057,671	3,951,914	6,009,585
Movements - Residual Client Balance Repayments	-	(3,952)	(3,952)
- Investment Gains	836	1,605	2,441
At 31 December 2020	2,058,507	3,949,567	6,008,074

Gains or losses on Investment Assets during the year are allocated to the Permanent Endowment Fund in the proportion that the opening balance bears to Total Funds, and the balance is allocated to Unrestricted Funds.

**Notes to the Accounts
for the year ended
31 December 2020
Continued**

The Main Fund - This was created during the years ended 31 December 1995 and 1996 when with Charity Commission approval 14 small charities forming part of the SBA Common Investment Fund were transferred to the SBA General Fund. The permanent endowment value included within these charities was confirmed in a Charity Commission Scheme dated 1 August 1996 as £932,409. Income, which is included in unrestricted funds, and (to the extent that it does not represent permanent endowment) capital may be used for the general purposes of the SBA.

The Residual Client Balance Fund - In accordance with counsel's opinion received in early 2015, Residual Client Balance donations received between 1st March 2013 and 31st December 2015 (a period during which all acknowledgements included an undertaking to permanently invest the donations received) have been taken into a Residual Client Balance Fund. This action was adopted by the SBA Board at its meeting on 17th June 2015 and was applied retrospectively.

	General Fund £	Residual Client Balances		Total Funds £
		Designated Fund £	Undesignated Fund £	
19 Unrestricted Funds				
At 1 January 2020	7,934,945	8,537,909	3,227,879	19,700,733
Movements	(1,037,895)	156,133	-	(881,762)
At 31 December 2020	6,897,050	8,694,042	3,227,879	18,818,971

Within Residual Client Balances, the Designated Fund comprises the donations received during the period 1 January 2004 to 28 February 2013, and donations received from 1 January 2018 onwards. Movements in the year are net of £6,336 repayments. The Undesignated Fund comprises the donations received prior to 2004.

	2020 £	2019 £
20 Restricted Funds		
The charity received income from other charities for specific beneficiaries, and these have all been spent in full during the year as intended.		
The HM Hubbard Will Trust	20,000	20,000
The City of London Solicitor's Company-Charitable Fund	2,500	11,500
The Pritt	14,000	13,765
	36,500	45,265

	General Fund £	Permanent Endowment		Total Funds £
		Main Fund £	Residual Client Balance Fund £	
21 Reconciliation of Movements in Unrealised Gains on Fixed Asset Investments				
Net unrealised gains at 1 January 2020	3,057,463	353,438	503,193	3,914,094
Add attributable to disposals in the year	235,475	27,221	38,754	301,450
Add: net gains on revaluations in the year	458,480	47,887	91,970	598,337
Net unrealised gains at 31 December 2020	3,751,418	428,546	633,917	4,813,881

Notes to the Accounts
for the year ended
31 December 2020
Continued

	Total Funds	Total Funds
	2020	2019
	£	£
22. Reconciliation of net movement in funds to net cash flow from operating activities		
Net movement in funds	(883,273)	2,655,366
Add back depreciation charge	9,267	6,536
Deduct income shown in investing activities	(429,104)	(592,148)
Deduct gains on investments	(10,441)	(2,456,430)
Purchase of Property Plant & Equipment	(17,844)	(1,884)
Decrease in secured loans to beneficiaries	286,801	216,882
Decrease in debtors	37,251	438,833
Increase/(Decrease) in creditors	222,413	(4,156)
Net cash flow from operating activities	(784,930)	262,999

	Total Funds	Total Funds
	2020	2019
	£	£
23. Analysis of Cash and Cash Equivalents		

Cash in hand	1,493,493	1,831,545
Cash Equivalents		
Total Cash and Cash Equivalents	1,493,493	1,831,545

Patron

Her Majesty The Queen

President

The President of The Law Society

Vice-Presidents

Anthony Surtees

Malcolm Farrer-Brown

Trustees

Chairman Matthew Robbins
Ginny Cannon (Appointed 10/3/21)
Tanya Dunbar
Karen Matthews
Shams Rahman

Anthony Cumming
Michael Gillman
Adam Parker (Resigned 10/3/21)
Karen South
Matthew Rhodes OBE (Resigned 12/6/20)

Honorary Treasurer Kirsty McEwen
Timothy Cuthbertson
Christl Hughes
Haroon Qayum
Andrew Wauchope (Appointed 10/3/21)

The Solicitors' Charity Staff

Chief Executive

Nick Gallagher

Caseworkers

Dervilla Carroll
Jacqui Staniforth

Casework Manager

Sue Ellis

Finance Director

Andrew Imbrah

Marketing Executive

Martyn Hayes

Operations, Risk & Compliance Manager

Ricardo Premchand

Volunteers

Jeremy Abraham, London
Sue Aggett, Devon
Simon Alliott, S Yorkshire
Charlie Anderson, London
Janet Arthurs, Essex

Michael Bailey, Leeds
Helen Barnes, Norfolk
Stuart Berry, Harrogate
Victoria Brandon, Greater Manchester
Daniel Brooks, Suffolk
Helen Broughton, Merseyside
John Buchanan, Bournemouth
Debra Burton, E Midlands

Peter Cadman, London & Bath
Sally Cater, S Wales
Yvonne Chapman, W Midlands
Michael Clough, Cornwall
Anthony Corcoran, W Sussex
William Cowell, Cambridgeshire
Caroline Coy, London
John Crane, Leicestershire
Tom Cryan, NW London

Anthony Cumming, N Yorkshire
Timothy Cuthbertson, Birmingham

Simon Dinnick, London

Rebecca Eels, Bath
Martin Elliott, Somerset

Richard Fisher, Cardiff
Michael Foster, Hastings
Malcolm Fowler, W Midlands

Nigel Gibson Birch, Watford
Nick Gurney-Champion, IoW

John Harmshaw, Wiltshire
Alison Hegarty, Warwickshire
Anthony Hoffman, Gloucestershire
Roderick Hursthouse, Hampshire

Vanda James, Kent
Ruth Jenkins, Ipswich
Anwen Jones, Denbighshire

Jane Lougher, Berkshire

Del Magner, Buckinghamshire
Joanna Maine, Teesside
David Maydew, Bristol
Gareth Morris, Aberystwyth

Chris Nicholls, Cornwall

Roger Owen, Powys

Rebecca Parkman, Weston-S-Mare
Jane Probert, Gwent

Matthew Robbins, Hampshire
Elizabeth Roberts, Cheshire
Eila Rochfort, Surrey
Rhona Rowland, Northamptonshire

Geraldine Stephens, Trafford
Charles Sweet, S London & Dorset
Christian Swinburne, Tyne & Wear

Rhian Williams, S Wales

Auditors

Mazars LLP
2nd Floor, 6 Sutton Plaza
Sutton Court Road
Sutton
Surrey SM1 4FS

Bankers

National Westminster Bank plc
PO Box 281, 156 Fleet Street
London EC4A 2DX

Investment Managers

Investec Wealth & Investment Ltd
2 Gresham Street
London EC2V 7QN

**THE
SOLICITORS'
CHARITY.**

Supporting you, since 1858

1 Jaggard Way
London
SW12 8SG

Telephone: 020 8675 6440
Website: thesolicitorscharity.org

The Solicitors' Charity exists to help persons in need who are or have been admitted to the Roll of Solicitors for England and Wales, or who are or have been married to or the civil partner of solicitors so admitted, or who are or have been dependents of solicitors so admitted.

Solicitors Benevolent Association Limited

A charitable company limited by guarantee registered in England & Wales number 6601907
Registered charity number 1124512

Registered Office

1 Jaggard Way
London SW12 8SG

Patron

HM The Queen