



The Bar Council

Financial Statements 2012/13

The Bar Council
Financial Statements for the Year to
31 March 2013

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Officers and Professional Advisers

Officers – 2012	Chairman: Michael Todd QC Vice-Chairman: Maura McGowan QC Treasurer: Stephen Collier
Officers – 2013	Chairman: Maura McGowan QC Vice-Chairman: Nicholas Lavender QC Treasurer: Stephen Collier
Chief Executive	Stephen Crowne (from June 2013)
Chair – Bar Standards Board	Baroness Ruth Deech QC (Hon)
Vice-Chair – Bar Standards Board	Sir Geoffrey Nice QC (to December 2012) Patricia Robertson QC (from January 2013)
Director – Bar Standards Board	Dr Vanessa Davies
Director – Central Services	Oliver Delany
Director – Representation & Policy	Mark Hatcher
Independent Auditor	Chantrey Vellacott DFK LLP Russell Square House 10-12 Russell Square London WC1B 5LF
Bankers	Child & Co. The Royal Bank of Scotland Group 1 Fleet Street London EC4Y 1BD
Investment Portfolio Manager	Cazenove Capital Management Limited 12 Moorgate London EC2R 6DA

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Chairman's Statement

Every year the Chairman of the Bar says that the past year has been the busiest and most challenging in the Bar Council's history. The period covered by this report has proved that the past financial year has been no exception. At the end of 2011, the Secretary of State for Justice announced that there would be a postponement of the Ministry of Justice's long-standing plans to consult on proposals for introducing greater competition in the provision of legal services, initially in criminal defence work and subsequently more widely in other, publicly-funded work. It was only a reprieve. Within a matter of days of the coming into force of the Legal Aid, Sentencing and Punishment of Offenders Act 2012 (LASPO), the Ministry of Justice announced it was bringing forward a consultation on Price Competitive Tendering as a part of a package of proposals to transform criminal legal aid. Both the Act and the desire to introduce greater competition in publicly-funded work are the result of actions taken on a much broader front by the Coalition Government to make significant cuts in public expenditure to address the dire state of the public finances, from which the Bar has not been immune. At a time of such austerity, which shows no sign of abating in the near future, the Bar Council needs to be completely focused on what needs to be done on behalf of the profession it exists to represent and, through the independent Bar Standards Board, to regulate.

'Taking control' was the theme of my inaugural address to Bar Council at the end of last year. My predecessor, Michael Todd QC, initiated a review of the structure and organisation of the representative side of the Bar Council to ensure that our limited resources are used to best effect and deliver value for money. The need for effective resource management applies not only to resourcing those areas of our business which are covered by the Practising Certificate Fee (PCF) but also to those which depend on funding from the voluntary Member Services Fee (MSF). The MSF is absolutely vital for our 'trade union' activity in representing the profession's case to Government for fair remuneration and related communications activity. Our representational work is valuable and, I believe, valued by the profession.

For the first time last year we produced an annual report entitled 'Representing the Bar' to accompany the Financial Statements. We are publishing a similar report this year to indicate the range of representational work which is undertaken on behalf of the Bar, for the benefit of the profession and in the wider, public interest.

Among the highlights over the past financial year we have:

- Continued to champion the cause of the publicly-funded Bar and the value of its work by running a high profile campaign in Parliament during the passage of the LASPO Bill and the publication of the 70-page 'A Guide to Representing Yourself in Court'
- Supported the international work of the privately-funded Bar by highlighting the contribution of barristers to UK legal services overseas to the achievement of the Government's growth strategy, and by organising overseas a number of trade missions and initiatives to support the Rule of Law overseas

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- Made the services of barristers more accessible to consumers through making the case successfully to the regulators of the Bar for removal of restrictions on Direct Access
- Designed and developed a third party escrow account service (BARCO) to provide a trustworthy and transparent vehicle for the payment of legal costs and thereby to make the advisory and advocacy services of barristers more widely available to domestic and international clients without infringing the rules which prevent barristers from handling client money
- Introduced a new online application system for making applications for pupillage, and
- In association with Smithfield House, introduced a Bar Nursery to ease the burdens on practitioners with child care responsibilities.

This is just a snapshot of some of the representational activity of the Bar Council which is described in more detail elsewhere. We could not achieve as much as we do without the dedicated commitment of many members of the profession to our work. Our heartfelt thanks go out to them once again.

I would also like to thank the Treasurer of the Bar, Stephen Collier, and to my predecessor, Michael Todd QC, for their unstinting support and because several of the initiatives listed above were started during the latter's tenure. My thanks also go to the three Directors, Dr Vanessa Davies, Oliver Delany and Mark Hatcher who lead the executive team. Special thanks go to the Chairman's Office team led by Charlotte Hudson. The Vice-Chairman, Nicholas Lavender QC, and I are especially grateful to her, Victoria Carpenter and Sarah Riley.

Maura McGowan QC
Chairman of the Bar

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Chair: Bar Standard Board's Statement

Since I was appointed in 2009 I have written annually in these statements about how much of a busy and eventful time it has been. The 2012-13 financial period has been no different. The pace of change in all aspects of the Bar Standards Board's work is significant. During the year, we set out to achieve a considerable amount, as detailed in the strategic and business plans we have published each year since our inception. Some of our achievements to note over this 12-month period are below.

Following consultation we launched the Bar Course Aptitude Test with the cohort of candidates applying from November 2012 who will start the course in September 2013.

We continued the Centralised Examinations project, aimed at ensuring consistent standards across all providers of the Bar Professional Training Course (BPTC).

Our Board approved our new Equality and Diversity Rules which came in to force in September 2012 with a webinar and podcast to support implementation.

The Authorisation to Practise regime which we introduced last year has gone well. Our records show that the overwhelming majority – 98% – of the Bar completed the practising certificate renewal process in time for this year's April deadline.

We have continued to undertake significant development of the Quality Assurance Scheme for Advocates (QASA), publishing our fourth consultation report in March. Together with the Joint Advocacy Group, we agreed the next steps for the scheme. As a result of the comments received in the many substantive and constructive responses, some adjustments of detail have been made to the scheme. We have revised the timetable and the scheme will now be launched in September 2013. Visit our website for details of webinars, podcasts and drop-in sessions we are organising to help advocates with the registration process.

We have continued to work and consult on offering new opportunities for the way in which barristers might practise in the future. We received 38 responses to our consultation on the New Handbook, and Entity Regulation and Supervision and Enforcement. Various revisions were made to the Handbook following consultation. The revised Handbook was approved by the Board and submitted to the Legal Services Board for approval in 2013.

In February we launched a consultation about changes to the way chambers and barristers will be monitored. This new approach will seek to target resources at those most likely to breach the

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Code of Conduct. The aim is to prevent problems before they happen by informing those chambers which are identified as higher risk and signposting available support. Enforcement action will be reserved for the most serious or persistent cases.

The BSB will evaluate where the areas of risk are and take into account matters like disciplinary history, but also good practice measures. This process will map out who needs what level of supervision and support to prevent non-compliance.

This year we have responded to many consultations from organisations such as the Legal Services Board, the Legal Ombudsman, the Solicitors Regulation Authority, the Office of the Immigration Services Commissioner, ILEX Professional Standards, and the Legal Education and Training Review.

The Independent Observer's report on the BSB's complaints handling process found that policies and procedures are robust and that the Professional Conduct Department's handling of complaints and disciplinary processes is prompt, thorough and fair. She observed good practice and encountered a healthy attitude to constructive challenge and a genuine commitment to continuous improvement. Our Independent Observer is a lay person who comments on our overall complaints system, giving the Board valuable external perspective and assurance.

Having released the results of our first Biennial Survey in January 2012, we worked jointly with the Bar Council to launch the second Biennial Survey of the Bar in May 2013. This benchmark report will provide very useful information to us about the Bar, its practices and perspectives, that we can build on over time.

Our interaction with the Legal Services Board was regular and substantive on all aspects of our work. We have a cycle of retirements and renewals of membership. In January 2013 Patricia Robertson QC joined us as the new Vice Chair, replacing Sir Geoffrey Nice QC. Justine Davidge became a barrister member of the BSB Board following Patricia's appointment. The Board continues to have a lay majority – a long stated ambition for the Board as well as being required by the Legal Services Board's Internal Governance Rules.

As always I must acknowledge the hard work and dedication of our Director, Dr Vanessa Davies, and the entire Bar Standards Board staff. The beginning of the 2013 calendar year also saw the start of my second three years as Chair of the Board. I look forward to the challenges of this final term as Chair. I am privileged to hold this position and will do my utmost to ensure that the regulation the BSB delivers does protect and promote the public interest and the interests of consumers while also encouraging an independent, strong, diverse and effective legal profession. These are the regulatory objectives contained in the Legal Services Act 2007, but have been central tenets of the BSB since its inception and we remain committed to them.

Baroness Ruth Deech QC (Hon)
Chair: Bar Standards Board

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Treasurer's Report

The Bar Council must ensure that its functions – whether representational and policy or, via the Bar Standards Board, regulatory – are properly discharged. Equally, it must balance against this the fact that over half of its income is raised from the practising Bar (employed and self-employed) via the Practising Certificate Fee (PCF). Achieving the right balance here is the role of an accomplished Finance Committee which, as Treasurer, I have the privilege to chair. The Finance Committee comprises: the Officers of the Bar Council and the Bar Standards Board (BSB); a number of Bar and BSB representatives; and a number of Lay members (see page 14).

Working together, the Committee takes overall responsibility for the financial sustainability of the Bar Council. It achieves this by agreeing a budget at the start of each financial year and then monitoring budget compliance during the year, as well as dealing with the inevitability of changing circumstances and their financial consequences. On behalf of the practising Bar as a whole, may I thank Committee members for their contribution during what has been a busy and successful year.

May I also welcome our new Chief Executive, Stephen Crowne, who took up his new role in early June and who has already made his mark. I am confident that Stephen will play a major role in the further development of the Bar Council, its activities and its reach and I and the Finance Committee look forward to working with him.

In addition to our core role of maintaining the financial sustainability of the Bar Council, as part of our more planned approach we set ourselves three priorities as a Committee for the financial year:-

1. The resolution of the outstanding issues which faced the Bar Council in relation to the final salary pension scheme, in a way which was fair both to the staff, and to the practising Bar which has to fund any shortfall
2. Agreement on a property strategy for the Bar Council, in relation to the break clauses which would be exercisable in June 2013 on each floor (of nine) that the Bar Council occupies in its headquarters in High Holborn, London WC1, and
3. Undertaking a further consultation to address the still-open issue of whether the PCF would be better allocated by reference to individual income, rather than – as now – by year of Call. The ethos of the Bar has always been that the more successful and established practitioners willingly support those in less successful circumstances. The logic of the proposed change is that, with continuing pressure on the publicly-funded Bar, year of Call may no longer be the best proxy for ability to contribute to the PCF.

Good progress has been made on each of these, and I am pleased to be able to report that:

1. The final salary scheme was closed to future accrual with effect from 28 February 2013. This is reflective of a lot of hard work from a number of individuals involved, and an open

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and clear engagement from the staff and the Trustees on their behalf. The effect is that benefits for staff have been secured, whilst the exposure for the Bar Council has been fixed. Our current anticipation is that in the absence of really major turmoil in financial markets, the forward funding rate for the Bar Council over the next seven years will remain at a level which can be funded without recourse to additional levies on the practising Bar. The next 'test' of this will be at the triennial valuation in 2016.

2. A small working group of Bar Council staff took the lead in developing proposals to the Finance Committee, which culminated in a decision (at Finance Committee, and then endorsed by the BSB and by the Bar Council) to surrender four floors of the office premises in High Holborn, with effect from March 2014. The benefit will be a significant reduction in annual rent, although there will be some additional one-off costs associated with the project. Extensive planning is now under way under the leadership of our new Chief Executive, Stephen Crowne, to ensure that the project delivers on its promise. Finance committee will continue to monitor progress.
3. A consultation was launched in June, setting out an option under which the PCF would be allocated to practitioners by reference to their gross fees (for self-employed practitioners) or gross income (for employed practitioners). The results of that consultation should be available in time to inform the decision as to how the PCF is to be allocated for the 2014/15 financial year.

In addition to the above, the Finance Committee has had an active year – a particular feature of which has been the demand for additional expenditure on unanticipated activity. Approval by the Finance Committee of any such bid is always contingent on the clear expectation of strong financial management and the cost effective application of resources. The evidence of the success of this approach is to be found in these Financial Statements. Broadly speaking, despite a total of circa £1m in unanticipated expenditure and/or additional bids for support during 2012/13, operationally (i.e. before the application of pension curtailment costs which are explained below) the Bar Council broke even. This is a very solid result and I am grateful to staff at all levels for helping deliver this outcome.

The range of additional issues addressed by the Finance Committee included the following:

- The funding of the new pupillage portal
- The funding of the new escrow initiative, BARCO
- The funding of the implementation of the new Regulatory Standards Framework (RSF) as required of the BSB
- The provision of additional funding to the BSB to meet costs associated with the Council of the Inns of Court (COIC) review of the Bar Tribunals and Adjudication Service (BTAS)
- The funding of developments to the new core database and the Barrister Connect portal
- The funding of a new case management system for the BSB's Professional Conduct Department

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- The engagement with the four Inns of Court on the review of the subvention
- The revision of the Bar Council's Finance Manual and Travel and Subsistence policy, and
- The recruitment of the Chair, Michael Jeans, and other members of the new Audit Committee.

Turning to the detailed accounts, the Consolidated Income and Expenditure Statement (page 21) indicates an overall deficit of £2,285,000. As Note 4 (page 31) explains, this outcome is primarily attributable to a charge of £2,589,000, being the curtailment loss arising under the Financial Reporting Standard (FRS17) requirement to acknowledge the impact of the closure of the staff defined pension scheme to accrual for current service. In brief, it represents the actuarially estimated difference between the liability associated with deferred membership entitlement and accompanying annual 5% uplift and that which had been previously estimated had all members remained active and been subject to significantly lower annual salary increases.

Notwithstanding the foregoing, the Statement of Recognised Gains and Losses (page 22) indicates a stronger position than last year recording a gain of £185,000. As explained in Note 14 the substantive difference is the £6,703,000 employer contributions, of which £5,894,000 was raised by the pension levy. Notwithstanding this more positive picture, it is important to note that it is actually the separate triennial valuation of the pension scheme that determines our statutory obligations. The valuation carried out in October 2012 identified a deficit of £2,828,000. This much improved figure, as compared to October 2009 (when the deficit was assessed as £6,077,000), is attributable to a number of factors - the most significant of which is the payment of the pension levy referred to above. The provisional agreement reached between the Bar Council and pension trustees envisages monthly payments of £41,100 over a seven-year recovery plan. As the previous recovery plan had contributions of £116,000 per month from January 2014, the new recovery plan will assist in-year cash flow.

As indicated, the staff final salary scheme finally closed on 28 February 2013 after appropriate and professionally guided consultation with the staff. This was a substantial, complicated, and at times, difficult issue for all concerned and now is the time to move on. All staff instead have access to a generous defined contribution pension scheme and 85 of the 145 eligible staff have taken that opportunity. We are now assessing the implications of our obligation automatically to enrol all eligible jobholders into a suitable stakeholder scheme by April 2014. In addition, we will review the extant pensions' governance arrangements.

Turning to other operational aspects of the accounts, the following should be noted:

Income

Note 3 (page 28) provides a detailed analysis of income. Income from the core PCF decreased as compared to the previous **15-month** period but increased by 9.6% against a notional like-for-like

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12-month period (£8,126,000 v. £7,412,000). While the individual increase in the 2012/13 core PCF was 6%, the number of barristers in practice held up gratifyingly better than anticipated.

However, the overall cost burden on practitioners, represented by the combination of core PCF and levies reduced by 16%, against a notional 12-month prior year.

Of the Other Income, the Inns subvention merits particular mention. The Bar Council has been the beneficiary of a subsidy from the four Inns of Court since 1895, as subsequently amended and ratified over subsequent years by the Pearce, Benson and Rawlinson reports. In order to meet the Inns' requirement to apply the subvention to charitable activity, it is offset – see Statement under s51 Legal Services Act 2007 (page 47) – wholly towards the cost of the BSB. The continuation of the subvention has, for various reasons, been called into question and, in July 2010, the Council of the Inns of Court (COIC) set up a review group on which the Bar Council and BSB are represented. In November 2011, COIC made the decision to phase out the subvention beginning in April 2013. This is a future pressure we are planning for. Specifically, in May 2012, COIC made the decision to decrease the subvention by 27%, less the sum already abated for running the disciplinary tribunals. The phasing out of the subvention represents a significant loss of income to the Bar Council that it is seeking to mitigate in order to avoid having to increase the PCF.

As to remaining Other Income, regrettably income from the voluntary Member Services Fee (MSF) continues to decline (£1,254,000 against a notional 12-month prior year comparator of £1,353,000) to the regrettable prejudice of the full scope of representational activity. The net contribution made by the Member Services Team – predominantly through its affinity, event and training activity – amounted to £221,000, a significant proportion of which was attributable to a most successful World Bar Conference. Regulatory income fell minimally as compared to a notional prior 12-month period (£1,365,000 v. £1,435,000). The delayed introduction of the Quality Assurance Scheme for Advocates (QASA) represented a significant shortfall (£369,000) in budgeted income.

Expenditure

Note 4 (page 29) proves a detailed analysis of expenditure. Overall expenditure rose by 8% as compared to a notional prior year 12-month period (£13,792,000 v. £12,780,000). On the Representation side, the rise was attributable to the higher costs associated with providing increasingly profitable (see above) Member Services. However, the primary cause of the increase in Member Services' costs is attributable to the investment in the escrow service, BARCO. Although the take-up to date has been slower than anticipated, BARCO has the potential to be a profit centre, in addition to providing a unique service to the profession.

BSB costs grew 12% in-year, based on a 12-month comparison (£4,275,000 v. £3,818,000). In part this reflects the fact that the Finance Committee gave BSB the authority to undertake additional spending in order to implement the RSF and to respond to matters relating to the COIC review

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of BTAS. Other causes of higher spend were costs associated with the Bar Course Aptitude Test (BCAT), and the Centralised Examinations Board (CEB) implementation. QASA costs were down because of the delay in implementation.

Central costs, which rose 7.1% on a 12-month comparator (£5,127,000 v. £4,785,000), are attributed across the organisation and include the capitalised cost of IT enhancements, the significant cost of the legal advice obtained in closing the staff final salary pension scheme, and a necessarily higher spend on Human Resources.

Staff costs are analysed at Note 5 (page 33) and a further factor that impinged upon all parts of the organisation was the unanticipated cost of reinstating staff to the final salary pension scheme. The average number of staff in post rose slightly (142 v. 138) due to staff increases in the BSB. While there was no general pay increase in April 2012, consequent upon the introduction of a HayGroup benchmarked salary bands, there were some individual salary increases. Conversely, salaries of some staff have been frozen and will be reduced over a two-year period to bring them into line with internal pay comparators. No changes were made to the remuneration of the Chairs and Vice-Chairs of the Bar Council and BSB or for lay committee members. The Treasurer is not paid.

The decline in Corporate costs was attributable to the vacant Chief Executive post. As indicated, that post has now been filled by Stephen Crowne, who is a welcome addition.

Other matters

The Cash Flow Statement (page 24) is in balance as compared to a notional prior year 12-month period. We continue to invest in improvements to our IT systems and most notably a case management system for the BSB. The key point to note is that the 'Cash at Bank: 31 March' figure is entirely driven by the pace of renewal of authorisation to practise and receipt of fees due on 1 April each year.

The Officers of the Bar Council are charged with safeguarding the independence of the BSB. As part of their annual review of the working arrangements between the Bar Council, as Approved Regulator, and the BSB, the Legal Services Board have regularly expressed reservations about the financial independence of the BSB. In consequence, in early 2012 a joint working group was set up to review the financial management provisions in the Finance Manual to ensure a correct balance was struck between financial controls and regulatory independence. The changes proposed by the working group were subsequently approved by the Finance Committee and have been seen to work effectively over the past financial year.

As part of this and as previously reported, the Finance Committee has split and Michael Jeans has taken over as Chair of the Audit Committee. It is a necessary and welcome initiative. The Audit Committee has only just begun its work and it is envisaged that they will account for their activities in next year's Financial Statements.

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The Financial Statements include for the first time a five-year Financial Summary (page 48). Overall expenditure over the period 1 January 2008 – 31 March 2013 has increased 47%. This is not a sustainable trend for the practising profession. Active control of costs is critical.

As indicated, the Bar Council has already taken the opportunity presented by lease break clauses, to reduce the number of floors occupied in Celcon House and, in so doing the attendant overhead. The final salary pension scheme has been closed. Under the leadership of Stephen Crowne, further possibilities are being considered both to reduce our cost-base and increase income from other sources. I anticipate that these will feature in next year's report.

So in conclusion and on behalf of the practising Bar whom they most ably serve, I would again thank all members of the Finance Committee for their commitment, shrewd insights and constructive support. It is of fundamental importance to the proper functioning of the regulatory model that the Finance Committee functions without fear or favour in objectively considering the allocation of resources. The fact that the Committee does this so effectively is a great credit to all concerned and none more so than Sir Geoffrey Nice QC, who stood down at the end of last year after four years as Vice-Chair of the BSB and of the Finance Committee. His participation in all aspects of Finance Committee business was exemplary and during his tenure he regularly chaired the Finance Committee steering the debate adroitly and with an even hand. With effect from 1 January 2013, he has been succeeded on the committee by Patricia Robertson QC, the new Vice-Chair of the BSB.

I would also thank colleagues for the feedback and input to my regular presentations at both Bar Council and at the General Management Committee (GMC). My particular thanks to the Head of Finance, Brian Buck, and his team without whose unstinting commitment and support no Treasurer could hope to function successfully. Testimony to their efforts was best reflected in the clean bill of health our auditors have given the 2012/13 accounts.

Finally, I have been privileged to be elected to serve for a third term as Treasurer in 2014. That will be my last year as Treasurer, and so beyond then I will be looking for a successor and will welcome any expression of interest in what is an important and interesting role.

Thank you.

Stephen Collier
Treasurer

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Finance Committee

The Finance Committee ("FC"), formerly the Finance and Audit Committee, is responsible for designing, implementing and maintaining appropriate financial controls across the Bar Council, including those appropriate to an Approved Regulator.

The Terms of Reference are as follows:

1. To determine and keep under review the Bar Council's accounting policies and procedures including the Finance Manual which sets out the procedures for preparing the annual budget, levels and procedures for the authorisation of expenditure, procurement policy and other financial controls
2. To review and finalise the annual revenue and capital expenditure budgets in consultation with the Bar Standards Board ("BSB") and General Management Committee ("GMC") as appropriate for presentation to the Bar Council
3. To review, also in consultation with the BSB and GMC as appropriate and put forward proposals to Bar Council for the PCF and the MSF (including levels, bandings, discounts, surcharges, payment methods, exemption waivers and refunds) which are consistent with s. 51 Legal Services Act 2007 and the Practising Fee Rules 2009 made by the Legal Services Board and:
 - i. To conduct such consultation in relation thereto as may be required pursuant to the Practising Certificate Rules 2009; and
 - ii. To apply to the LSB for approval of the PCF determined by the Bar Council
4. To review the Bar Council's management accounts and the associated reports provided by the Chief Executive and Directors and make recommendations, take such actions or seek such assurances, clarification or adjustment as may be necessary or desirable in the interests of the Bar Council as a whole in the light of such accounts
5. To review the quarterly and annual reports made by the BSB to the Bar Council
6. To review quarterly the Bar Council's cash flow forecast
7. To review the Bar Council's Financial Statements prior to their consideration by the Audit Committee ("AC")
8. To determine and keep under review the Bar Council's banking arrangements, so as to ensure that they reflect current need, value for money and balance of risk
9. To keep under review the level and nature of the Bar Council's investments, borrowings and take all such action in relation thereto as is necessary or desirable in the interests of the Bar Council
10. To provide advice on any financial matters referred to it by the Bar Council, the BSB or the GMC, and

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11. To review the findings of the external and internal auditors and ensure that financial issues raised in the auditor's Management Letter are addressed by the appropriate Bar Council staff and to ensure that issues raised by the AC are appropriately responded to.

The Finance Committee meets each month, with the exception of August. Its meetings are chaired by the Bar Council Treasurer. For 2012 and 2013, the Treasurer is **Stephen Collier**. The other members of the committee are:

Position	Name	Qualifications/experience
Vice-Chair – BSB	Sir Geoffrey Nice QC (2012)	Practising barrister
	Patricia Robertson QC (2013)	
Chairman – Bar Council	Michael Todd QC (2012)	Practising barrister
	Maura McGowan QC (2013)	
Vice-Chairman – Bar Council	Maura McGowan QC (2012)	Practising barrister
	Nicholas Lavender QC (2013)	
Ex officio	Baroness Ruth Deech QC (Hon.)	Chair – BSB
Ex officio	Vacant (2012)	Chief Executive – Bar Council
	Stephen Crowne (2013)	
Bar Council Nominee	Stephen Moriarty QC	Chairman of COMBAR, practising barrister
Bar Council Nominee	David Nicholls	Former Chairman – YBC, practising barrister.
BSB Nominee	Paula Diggle	BSB member
BSB Nominee	Matthew Nicklin	BSB member, practising barrister
Lay member	Jeremy Black	Qualified Accountant (ACA)
Lay member	Sir Roger Jackling	Former senior civil servant
In attendance:	Vanessa Davies	Director – BSB
	Oliver Delany	Director – Central Services
	Mark Hatcher	Director – Representation & Policy
Committee Secretary	Brian Buck	Head of Finance

A list of some of the matters addressed by the committee during 2012/13 can be found in the Treasurer's Report.

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Audit Committee

The Bar Council's Audit Committee was created by a change to its Standing Orders in April 2012, whereby the then Finance and Audit Committee shed its responsibilities for audit and risk management matters and passed them to a separate committee under an independent lay Chairman. The new committee met for the first time last November. The Terms of Reference are as follows:

Governance and risk management

1. To advise the Bar Council in relation to the Bar Council's role as an approved regulator for the purposes of the Legal Services Act 2007 on all corporate governance matters and to review the effectiveness of internal controls, including financial management arrangements and internal business processes and in doing so to make appropriate use for this purpose of internal and external audits and reports and assurances from the Bar Council and the BSB
2. To review the Bar Council's and the BSB's risk management strategies, including processes for assessing, reporting, owning and managing business risks and their reputational and financial implications across all parts of the Bar Council and to make recommendations and seek assurances or clarification as may be necessary or desirable in the interests of the Bar Council as a whole
3. To receive risk registers on a quarterly basis from the BSB and the Bar Council and assurances that effective control systems are in place and are being adhered to;
4. To review and make arrangements on 'whistleblowing' processes and the arrangements for investigating fraud, corruption and error, and
5. To keep under review the level and nature of the Bar Council's insurance cover.

Internal audit

6. To determine and keep under review the need and the arrangements for the provision of internal audits, having regard to the need for the internal audit function to be effective, to be adequately resourced, to have appropriate standing within the Bar Council and the BSB and to be aligned with corporate risk registers, and
7. To consider any internal audit reports and management responses thereto, and make recommendations or take such actions as may be necessary or desirable in the interests of the Bar Council in the light thereof.

External Audit

8. To make recommendations to the Bar Council on the appointment and removal of the external auditors

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9. To oversee the relationship with the external auditors, including: approving their terms of engagement and remuneration; ensuring that the nature and scope of the external audit is agreed in advance; and ensuring that the external auditors are informed of any significant developments or risks which might impact upon the audit process or fee
10. To monitor and review the external auditor's independence, objectivity and effectiveness
11. To review the findings of the external auditor and ensure that appropriate actions are being taken
12. To determine and keep under review the policy on the engagement of the external auditor to supply non-audit or consultancy services, and
13. To oversee the production and monitor the integrity of the Bar Council's Financial Statements and, subject to audit, to approve them for submission to the Bar Council.

Statutory compliance

14. To review and make recommendations on the processes in place to ensure that the Bar Council meets its statutory obligations, including those with regard to employment, data protection and health and safety.

Michael Jeans is the Committee's Chairman and he brings a wealth of experience to this role. He is a member of CIMA and sits on the audit committee of several other organisations. The other members of the committee are:

Position	Name	Qualifications/experience
Vice-Chairman	Graham Wilson	Practising barrister
Member nominated by the Chairman of the Bar	David Milne QC	Practising barrister
Member nominated by the Chair of the BSB	Richard Thompson	Chairman of the BSB's Governance, Risk & Audit Committee
Member nominated by the Chairman	Steve Carter	Director of Finance & Resources – Southampton Solent University
Member nominated by the Chairman	Stephen Whittle	Former Chair of the Standards Committee of the SRA
In attendance:	Vanessa Davies	Director – BSB
	Oliver Delany	Director – Central Services
	Mark Hatcher	Director – Representation & Policy
Committee Secretary	Brian Buck	Head of Finance

The Bar Council
Financial Statements for the Year to
31 March 2013

In this first year of operation, it has considered aspects of the following:

- Risk Registers for both regulatory and representative arms
- IT Security, and
- Health and Safety Policy.

In addition, it has exercised its responsibility for scrutinising the published Financial Statements.

It is intended that a re-tendering exercise for the provision of external audit services will be carried out in early 2014.

The BSB has its own dedicated Governance, Risk and Audit Committee, whose prime purpose is "to keep under review and report to the Board on the corporate governance standards adopted as well as the comprehensiveness, reliability and integrity of internal controls in order to meet the Board's assurance needs". The Audit Committee is aware that there is theoretically the potential for some possible overlap between the activities of the two committees, but it is not considered that this will be the case in practice.

The Bar Council
Financial Statements for the Year to
31 March 2013

Statement of Council Members' Responsibilities

The purpose of this statement is to distinguish the responsibilities of the Council Members of the General Council of the Bar from those of the Auditors as stated in their report.

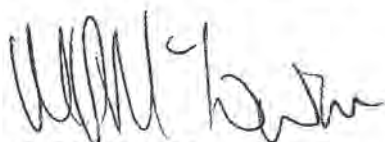
The Constitution of the General Council of the Bar requires that the Council Members of the General Council of the Bar, as a body, shall cause proper books of account to be kept with respect to the affairs of the General Council of the Bar. The Members are required to prepare Accounts for each financial year which give a true and fair view of the state of affairs of the General Council of the Bar and its subsidiaries and of their income and expenditure for the period. The Members of the General Council of the Bar are also responsible for safeguarding the General Council of the Bar's assets, and hence for taking reasonable steps for the prevention and detection of error, fraud and other irregularities.

In preparing the accounts, the Members of the General Council of the Bar will:

- Select suitable accounting policies and then apply them consistently, making judgments and estimates that are reasonable and prudent;
- Follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts, and
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the General Council of the Bar will continue in operation.

The Members are also responsible for the maintenance and integrity of the corporate and financial information included on the Bar Council's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Approved by the Bar Council on 20 July 2013
and signed on its behalf by:



CHAIRMAN



TREASURER

The Bar Council
Financial Statements for the Year to
31 March 2013

**Independent Auditor's Report to the Members of
The General Council of the Bar**

We have audited the group financial statements ("the financial statements") of the General Council of the Bar for the year ended 31 March 2013, which comprise the Consolidated Income & Expenditure Statement, Statement of Total Recognised Gains and Losses, Balance Sheets, Cash Flow Statements and 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).

This report is made solely to the members of the General Council of the Bar, as a body, in accordance with the Council's Constitution. Our audit work has been undertaken so that we might state to the 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 General Council of the Bar or its members, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of the Council and the Auditor

As explained more fully in the Statement of Council Members' responsibilities, set out on page 18, the Council Members of the General Council of the Bar are responsible for the preparation of the financial statements which give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's ("APB's") Ethical Standards for Auditors.

Scope of the audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the General Council of the Bar's circumstances and have been consistently applied and adequately disclosed; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

The Bar Council
Financial Statements for the Year to
31 March 2013

**Independent Auditor's Report to the Members of
The General Council of the Bar
(Continued)**

Opinion on the Financial Statements

In our opinion, the Financial Statements:

- Show a true and fair view of the state of the General Council of the Bar's and the Group's affairs as at 31 March 2013 and of the Group's deficit for the year then ended, and
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Chantrey Vellacott DFK LLP

Chantrey Vellacott DFK LLP
Chartered Accountants and Statutory Auditor
Russell Square House,
10-12 Russell Square,
London WC1B 5LF

Date: *22 July 2013*

The Bar Council
Financial Statements for the Year to
31 March 2013

Consolidated Income and Expenditure Statement

	Notes	Year to 31/03/13 £000	15 mths to 31/03/12 £000
Income			
Practising Certificate Fees		9,029	11,283
Inns Contributions		1,442	1,612
		-----	-----
		10,471	12,895
Directly attributable: Representation		2,204	2,732
Directly attributable: Regulation		1,365	1,649
		-----	-----
		14,040	17,276
Financial and Other		966	911
		-----	-----
Total	3	15,006	18,187
		-----	-----
Expenditure			
Corporate		1,696	2,242
Representation		4,328	5,058
Regulation		7,027	7,806
		-----	-----
		13,051	15,106
Financial		741	869
		-----	-----
Total: Core activities	4(a)	13,792	15,975
Curtailment – Pension scheme	4(b)	2,589	-
LSB/OLC: Funding	4(c)	903	2,018
		-----	-----
Total		17,284	17,993
		-----	-----
Operating (Deficit)/Surplus			
attributable to members	5	(2,278)	194
Charitable Trust	8	(7)	(6)
		-----	-----
(Deficit)/Surplus for the period	13	(2,285)	188
		=====	=====

The results for the year are all derived from continuing activities.

The Notes on pages 25 to 44 form an integral part of these Statements.

The Bar Council
Financial Statements for the Year to
31 March 2013

Statement of Total Recognised Gains and Losses

	Note	Group exc. charity		Group inc. charity	
		Year to 31/03/13 £000	15 mths to 31/03/12 £000	Year to 31/03/13 £000	15 mths to 31/03/12 £000
Operating (Deficit)/Surplus for the period		(2,278)	194	(2,285)	188
Realised gain on investments		-	1	(2)	(8)
Unrealised gain on investments	9	147	17	208	17
Levy paid to Pension Fund	4(d)	5,894	-	5,894	-
Actuarial loss on Pension Fund	14	(3,578)	(2,317)	(3,578)	(2,317)
Total recognised Gain/(Loss) for the period		185	(2,105)	237	(2,120)

The Notes on pages 25 to 44 form an integral part of these Statements.

The Bar Council
Financial Statements for the Year to
31 March 2013

Balance Sheets

	Note	Group exc. charity		Group inc. charity	
		31/03/13	31/03/12	31/03/13	31/03/12
		£000	£000	£000	£000
Tangible Fixed Assets	7	1,108	1,107	1,108	1,107
Investment in Subsidiaries	8	-	-	-	-
Other Investments	9	1,101	955	1,726	1,521
		-----	-----	-----	-----
		2,209	2,062	2,834	2,628
		-----	-----	-----	-----
Current Assets:					
Debtors and Prepayments	10	1,039	1,026	1,039	1,026
Cash at Bank		9,907	10,620	9,943	10,663
		-----	-----	-----	-----
		10,946	11,646	10,982	11,689
		-----	-----	-----	-----
Creditors: due within one year	11	(8,989)	(9,428)	(8,989)	(9,428)
		-----	-----	-----	-----
Net Current Assets		1,957	2,218	1,993	2,261
		-----	-----	-----	-----
Total Assets less Current Liabilities/ Net Assets excluding pensions		4,166	4,280	4,827	4,889
Pensions Liability	14	(3,047)	(3,346)	(3,047)	(3,346)
		-----	-----	-----	-----
Net Assets including Pensions		1,119	934	1,780	1,543
		=====	=====	=====	=====
Represented by:					
Accumulated Fund	13	3,833	4,037	3,833	4,037
Pensions Reserve	13	(3,047)	(3,346)	(3,047)	(3,346)
		-----	-----	-----	-----
		786	691	786	691
Revaluation Reserve	13	333	243	333	243
Charitable Trust		-	-	661	609
		-----	-----	-----	-----
		1,119	934	1,780	1,543
		=====	=====	=====	=====

The Notes on pages 25 to 44 form an integral part of these Statements.

Approved by the Bar Council on 20 July 2013 and signed on its behalf by:


Chairman


Treasurer

The Bar Council
Financial Statements for the Year to
31 March 2013

Cash Flow Statements

	Group exc. charity		Group inc. charity	
	Year to	15 Mths	Year to	15 Mths
		to		to
	31/03/13	31/03/12	31/03/13	31/03/12
	£000	£000	£000	£000
Reconciliation of Operating Deficit to Net Cash-flow:				
Operating (Deficit)/Surplus	(2,278)	194	(2,285)	188
Curtailment – Pension Scheme	2,589	-	2,589	-
Pension scheme service cost	301	605	301	605
Pension scheme contributions	(809)	(842)	(809)	(842)
Pension scheme interest cost	741	869	741	869
Pension scheme: return on assets	(805)	(742)	(805)	(742)
Depreciation charge	444	350	444	350
(Increase)/Decrease in Debtors	(13)	134	(13)	134
(Decrease) in Creditors	(439)	(2,411)	(439)	(2,412)
	<u>(269)</u>	<u>(1,843)</u>	<u>(276)</u>	<u>(1,850)</u>
Cash Outflow: Operating Activities				
	<u>(269)</u>	<u>(1,843)</u>	<u>(276)</u>	<u>(1,850)</u>
Cash flow Statement:				
Cash Outflow: Operating Activities	<u>(269)</u>	<u>(1,843)</u>	<u>(276)</u>	<u>(1,850)</u>
Capital Expenditure and Financial Investment:				
Purchase of Tangible Fixed Assets	(445)	(826)	(445)	(826)
Purchase of Other Investments	(227)	(115)	(300)	(251)
Sale of Other Investments	231	123	316	267
Increase in Investment Cash	(3)	(9)	(15)	(16)
	<u>(444)</u>	<u>(827)</u>	<u>(444)</u>	<u>(826)</u>
Cash Outflow: Investing Activities				
	<u>(444)</u>	<u>(827)</u>	<u>(444)</u>	<u>(826)</u>
Decrease in Cash in the period	(713)	(2,670)	(720)	(2,676)
Cash at Bank: 1 April 2012	10,620	13,290	10,663	13,339
	<u>9,907</u>	<u>10,620</u>	<u>9,943</u>	<u>10,663</u>
Cash at Bank: 31 March 2013				
	<u>9,907</u>	<u>10,620</u>	<u>9,943</u>	<u>10,663</u>

The Bar Council
Financial Statements for the Year to
31 March 2013

Notes to the Financial Statements

1. Basis of accounting

These accounts have been prepared under the historical cost convention, modified by the revaluation of investments to fair value and in accordance with applicable United Kingdom Generally Accepted Accounting Practice.

The preparation of the accounts requires the Council Members to make estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities at the date of the financial statements. If in the future such estimates and assumptions, which are based on the Council Members' best judgement at the date of the accounts, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change.

2. Accounting policies

Basis of consolidation

The group accounts comprise the accounts of the General Council of the Bar, a subsidiary company (the Bar Services Company Limited) and a charitable trust (the Bar Council Scholarship Trust). The charitable trust has been consolidated, as the Bar Council has the power of appointment over the Trustees and is therefore deemed in control of its funds. A second subsidiary (the Bar Council Properties Limited) has been excluded on the grounds of immateriality. All of these accounts are made up to 31 March.

No separate non-consolidated Income and Expenditure Statement has been presented for the General Council of the Bar, as it is considered that the effect of this omission is not material to an understanding of these accounts. The separate results of the subsidiary and the charitable trust are shown in Note 8.

Income recognition

Practising Certificate Fee and Members Services Fee

Core activities

All income from the Bar is accounted for in the period to which it relates.

The Bar Council
Financial Statements for the Year to
31 March 2013

2. Accounting policies (Continued)

Practising Certificate Fee and Members Services Fee (Continued)

Levies

In addition to funding core activities, additional amounts have been levied on the profession by means of the Practising Certificate Fee in order to meet the Council's obligation to contribute to both the establishment and running costs of the Legal Services Board and the Office of Legal Complaints and for the purpose of de-risking the staff defined benefit pension scheme. The sums so collected are ring-fenced and can only be applied for the purpose for which the levies have been made. Any sums not so applied in year are deferred for application for the same purpose in subsequent accounting years.

Other income is recognised when goods or services have been supplied.

Depreciation

Depreciation is provided on all tangible Fixed Assets and is calculated on a straight-line basis over their estimated useful economic lives. The rates of depreciation per annum are as follows:

- Leasehold improvements: over the remaining period of the lease
- Office furniture: 33.3%
- IT equipment: 33.3%
- Database: 20.0%

Computer software is written off in the year in which the expenditure is incurred, unless it can be demonstrated that the software has a useful economic life longer than one year.

Depreciation is usually charged from the date that an asset is first brought into use. In respect of databases, depreciation commences once the asset is deemed to be fully functional: see Note 7.

Other investments

Investments are stated at market value. Unrealised gains and losses are recognised in the Revaluation Reserve until the investment is disposed of, at which time the cumulative gain or loss previously recognised in the Revaluation Reserve is included in the result for the year.

Pension scheme

The Bar Council operates two pension schemes for staff, a defined benefit scheme, now closed to accrual and a defined contribution scheme.

The Bar Council
Financial Statements for the Year to
31 March 2013

2. Accounting policies (Continued)

Pension scheme (continued)

For the defined contribution scheme, the cost recognised for the year is the employer contributions paid during the year.

For the defined benefit scheme, the amounts charged for pension costs are the service costs and the gains and losses on settlements and curtailments. The former are included as part of Staff Costs, whilst the loss on curtailment, arising from the closure of the Scheme, is shown separately on the face of the Income and Expenditure Statement. The interest cost and the expected return on assets are shown separately within Income and Expenditure. Actuarial gains and losses are recognised immediately in the Statement of Total Recognised Gains and Losses.

The defined benefit scheme is funded, with the assets of the scheme held separately from those of the Bar Council, in a Trustee-administered Fund. Scheme assets are measured at fair value, while liabilities are measured on an actuarial basis, using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The FRS17 valuation is obtained at each Balance Sheet date. The resulting pension scheme asset or liability is presented separately after other net assets on the face of the Balance Sheet.

Operating leases

Operating lease rentals payable/(receivable) are charged/(credited) to the Income and Expenditure Statement in equal annual amounts over the lease term. Any rent-free period is amortised evenly over the period to which it relates and the balance is carried forward in Other Creditors.

The Bar Council
Financial Statements for the Year to
31 March 2013

3. Income	Year to	15 mths to
	31/03/13	31/03/12
	£000	£000
Practising Certificate Fees: Core activities	8,126	9,265
: LSB/OLC Levy rec'd	1,111	2,028
: Pensions Levy rec'd	549	3,218
	-----	-----
	9,786	14,511
LSB/OLC Levy deferred to 2013/14	(208)	(10)
Pension Fund Levy deferred to 2013/14	(549)	(3,218)
	-----	-----
	9,029	11,283
Inns' contributions	1,442	1,612
	-----	-----
Total: General Activities	10,471	12,895
	-----	-----
Member Services Fee	1,254	1,692
Affinity Portfolio	205	251
SBA administration	130	164
<i>Counsel</i> magazine	87	112
Conferences/Courses/other	528	513
	-----	-----
Total: Representation	2,204	2,732
	-----	-----
Education and Training: Validation	608	576
Accreditation	265	332
Bar Prof. Training Course	107	209
Joint Regulations	178	252
Academic Stage/Other	99	146
	-----	-----
	1,257	1,515
Disciplinary: Fines and Cost Recoveries	108	134
	-----	-----
Total: Regulation	1,365	1,649
	-----	-----
Investment Income	112	109
Expected Return on pension assets	805	742
Other	49	60
	-----	-----
Total: Financial and Other	966	911
	-----	-----
Total: All Sources	15,006	18,187
	=====	=====

The Bar Council
Financial Statements for the Year to
31 March 2013

4. Expenditure

(a) Core activities

	Direct:	Direct:	Alloc.:	Alloc.:	Alloc.:	Year	15 mths
	Staff	Other	Prem.	Manage.	C.Serv.	to	to
	£000	£000	£000	£000	£000	31/03/13	31/12/12
						£000	£000
Corporate (see page 30)	492	389	372	-	443	1,696	2,242
	-----	-----	-----	-----	-----	-----	-----
Representation							
Professional Affairs	360	113	80	68	304	925	1,161
Remuneration	339	66	70	59	263	797	1,098
International/Europe	191	238	40	45	162	676	911
Member Services	364	556	38	81	364	1,403	1,279
Communications	196	91	42	36	162	527	609
	-----	-----	-----	-----	-----	-----	-----
	1,450	1,064	270	289	1,255	4,328	5,058
	-----	-----	-----	-----	-----	-----	-----
Regulation							
Disciplinary	1,109	250	269	402	915	2,945	3,238
Education Standards	519	467	85	201	457	1,729	1,548
Qualifications	247	24	26	62	141	500	857
Professional Standards	330	113	92	108	246	889	1,385
Quality	252	7	44	124	281	708	561
QA Scheme for Advocates	79	37	39	31	70	256	217
	-----	-----	-----	-----	-----	-----	-----
	2,536	898	555	928	2,110	7,027	7,806
	-----	-----	-----	-----	-----	-----	-----
						13,051	15,106
Financial							
Interest on pension liabilities						741	869
						-----	-----
Total						13,792	15,975
						=====	=====

The Bar Council
Financial Statements for the Year to
31 March 2013

Core activities	Direct: Staff £000	Direct: Other £000	Alloc.: Prem. £000	Alloc.: Manage. £000	Alloc.: C.Serv. £000	Year to 31/03/13 £000	15 mths to 31/03/12 £000
Central Services							
Member Records	209	-	62	33	-	304	374
Finance & Trust Funds	245	537	51	26	-	859	784
Human Resources	174	2	31	20	-	227	212
Office Services	154	49	360	26	-	589	781
Print & Distribution	128	130	68	27	-	353	453
IT	177	469	42	26	-	714	737
Diversity	285	22	51	30	-	388	447
Research	132	62	31	16	-	241	410
Project Support	105	-	14	14	-	133	195
	<u>1,609</u>	<u>1,271</u>	<u>710</u>	<u>218</u>	<u>-</u>	<u>3,808</u>	<u>4,393</u>
Allocated: Corporate Representation						(443)	(461)
Regulation						(1,255)	(1,595)
						<u>(2,110)</u>	<u>(2,337)</u>
						<u>(3,808)</u>	<u>(4,393)</u>

Corporate expenses relate to the Chairman and Vice-Chairman of the Bar Council and include events, such as the AGM, and also charitable donations, such as to the FRU and the BPBU.

Premises costs have been apportioned on the basis of floor area occupied. Department Management costs have been allocated on a headcount basis. Central Services costs have been allocated on a usage/headcount basis. Management costs allocated above comprise staff costs, other direct costs plus share of premises.

The aggregate figure for staff costs is:

	Year to 31/03/13 2013 £000	15 mths to 31/03/12 2012 £000
Staff directly engaged in operations	6,087	7,488
Management costs allocated to operations	1,007	1,165
	<u>7,094</u>	<u>8,653</u>

The Bar Council
Financial Statements for the Year to
31 March 2013

4. Expenditure (Continued)

(b) Curtailment – Pension scheme

	Year to 31/03/13	15 mths to 31/03/12
	£000	£000
Closure of scheme to accrual for current service	2,589	-
	<u> </u>	<u> </u>

With effect from 28 February 2013, future pension accrual ceased for active members and they became deferred members with preserved benefits in the Scheme. Instead of increasing in line with pensionable salary growth (assumed to be 2.5% per annum), the members' preserved pensions will be revalued each year from the date of leaving to normal retirement age at the fixed rate of 5% per annum. The value of members' benefits is therefore higher and the resulting increase in the scheme liabilities is recognised as a curtailment loss.

(c) LSB/OLC: Funding

	Year to 31/03/13	15 mths to 31/03/12
	£000	£000
Excess of receipts over payments: 1 April 2012	10	184
LSB/OLC Levy received: 2012	866	1,535
LSB/OLC Levy received: 2013	235	309
	<u> </u>	<u> </u>
	1,111	2,028
	<u> </u>	<u> </u>
Payments:		
LSB Establishment costs	-	153
LSB Running costs (2013 – 1 year; 2012 – 2 years)	425	1,005
OLC Establishment costs	-	138
OLC Running costs (2013 – 1 year; 2012 – 2 years)	478	722
	<u> </u>	<u> </u>
	903	2,018
	<u> </u>	<u> </u>
Excess of receipts over payments: 31 March 2013	208	10
	<u> </u>	<u> </u>

There is no further liability in respect of Establishment Costs for either the LSB or OLC.

The Bar Council
Financial Statements for the Year to
31 March 2013

4. Expenditure (Continued)

(d) Pensions Levy/Funding

	Year to 31/03/13	15 mths to 31/03/12
	£000	£000
Excess of receipts over payments: 1 April 2012	5,468	-
Pensions Levy received: 2010	-	2,250
Pensions Levy received: 2012	400	3,218
Interest earned on receipts	26	-
	<u>5,894</u>	<u>5,468</u>
Pensions Levy received: 2013	549	-
	<u>6,443</u>	<u>5,468</u>
Total	<u>6,443</u>	<u>5,468</u>
Levy paid to Pension Fund	<u>5,894</u>	<u>-</u>
Excess of receipts over payments: 31 March 2013	<u>549</u>	<u>5,468</u>

The amounts of levies received over payments that are deferred are included in Creditors: due within one year (see Note 11).

5. Operating result

The Operating Result has been arrived at after charging:

	Year to 31/03/13	15 mths to 31/03/12
	£000	£000
Auditors' remuneration:		
Audit fees	40	34
Non-audit services	7	6
Taxation compliance	6	11
Taxation advisory	4	2
Depreciation	444	350
Operating lease property rentals (2012: net of recoveries)	861	997

The Bar Council
Financial Statements for the Year to
31 March 2013

5. Operating result (Continued)

Staff costs:

Employees

The aggregate remuneration and associated costs of Group employees were:

	Year to 31/03/13 £000	15 mths to 31/03/12 £000
Salaries	5,336	6,364
National Insurance	598	726
Pension Costs, including Life Assurance Premiums	562	1,066
Other Staff Costs, including Temporary Staff & Recruitment	598	497
	<u>7,094</u>	<u>8,653</u>

Total defined contributions paid in the year were £345,700 (15 months 2011/12 – £281,500).

The average number of employees in the year was 142 (2012/13 – 138).

Office holders and key management personnel

The Chairman of the Bar was paid £172,800 (15 months 2011/12 – £217,200) and the Chair of the BSB was paid £88,000 (15 months 2011/12 – £110,000).

The Vice-Chairman of the Bar was paid £86,400 (15 months 2011/12 - £108,300). The Vice-Chair of the BSB received £35,000 (15 months 2011/12 – £43,800).

The Treasurer was paid £Nil (2011/12 – £Nil).

The Bar Council
Financial Statements for the Year to
31 March 2013

5. Operating result (Continued)

Remuneration, excluding pension scheme contributions, paid to senior employees, including the Chairman of the Bar and the Chair of the Bar Standards Board, fell within the following ranges:

	Year to 31/03/13 Nos.	15 mths to 31/03/12 Nos.
£210,001-£220,000	-	1
£170,001-£180,000	1	-
£110,001-£120,000	-	4
£100,001-£110,000	-	1
£90,001-£100,000	3	-
£80,001-£90,000	2	3
£70,001-£80,000	2	3
£60,001-£70,000	6	1

Pension contributions paid in the year for the provision of defined contribution benefits for senior employees was £73,700 (15 months 2011/12 – £75,100).

The numbers of these staff for whom retirement benefits are accruing under the two pension schemes are:

Defined Benefit: Nil, with effect from 28 February 2013 (2011/12 – 1) and Defined Contribution: 9 (2011/12 – 7).

6. Taxation

No provision for Corporation Tax has been made in these accounts. Taxable income arising within the Bar Council is offset by either tax-deductible expenditure or Gift Aid payments to various charities.

The Bar Council Scholarship Trust is a registered charity and all its income is exempt from tax under ss. 521-536 ITA 2007.

The Bar Council
Financial Statements for the Year to
31 March 2013

7. Tangible Fixed Assets

GCB/Group	Leasehold Improve. £000	Office Furniture £000	IT Equipment £000	Databases £000	Total £000
Cost					
Balance: 1 April 2012	785	506	423	638	2,352
Additions	-	16	158	271	445
	----	----	----	----	----
Balance: 31 March 2013	785	522	581	909	2,797
	====	====	====	====	====
Depreciation					
Balance: 1 April 2012	540	353	352	-	1,245
Charge for the year	165	98	64	117	444
	----	----	----	----	----
Balance: 31 March 2013	705	451	416	117	1,689
	====	====	====	====	====
Net Book Value					
At 31 March 2013	80	71	165	792	1,108
	====	====	====	====	====
At 31 March 2012	245	153	71	638	1,107
	====	====	====	====	====

Expenditure on databases includes the sum of £209,000 on new complaints systems software. This will not begin to be depreciated until July 2013.

8. Subsidiaries and associated bodies

The group accounts consolidate the accounts of the General Council of the Bar and its wholly owned subsidiaries, together with the charity under the Council's control.

The General Council of the Bar has two subsidiaries:

Bar Council Properties Limited

This company is dormant and has undertaken no transactions since its incorporation. Its sole purpose is to act as nominee for the Bar Council and, in this capacity, has vested in it the leases of the various floors occupied at Celcon House, 289 – 293 High Holborn, London.

The company's Balance Sheet has not been included within these accounts on the grounds of immateriality.

The Bar Council
Financial Statements for the Year to
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8. Subsidiaries and associated bodies (Continued)

Bar Services Company Limited

The company re-commenced trading during the year, as the vehicle through which the Bar Council provides an escrow facility to barristers. In order to provide start-up finance, the Bar Council has advanced £241,000 to the company. Investment in the company in 2012 was £Nil.

The results of the company for the year ending 31 March 2013 are as follows:

	Year to 31/03/13 £000	15 mths to 31/03/12 £000
Trading Income	-	-
Administration Expenses	(207)	-
	----	----
Operating Loss	(207)	-
	====	====

The Bar Council has agreed to provide support to the company for the immediate future so that it may continue operating as a going concern.

The General Council of the Bar appoints the Trustees of a charity:

Bar Council Scholarship Trust

The Bar Council Scholarship Trust provides funding to young men and women seeking to become practising members of the Bar in England and Wales. At 31 March 2013, the net assets of the Trust stood at £661,000 (2012 – £609,000).

The results of the charity for the year ending 31 March 2013 are as follows:

	Year to 31/03/13 £000	15 mths to 31/03/12 £000
Incoming resources	11	21
Charitable activities	(18)	(27)
	---	---
Net outgoing resources, before other recognised losses	(7)	(6)
	====	====

The Bar Council
Financial Statements for the Year to
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9. Other investments

	Group exc. charity		Group inc. charity	
	2013	2012	2013	2012
	£000	£000	£000	£000
Market Value				
Balance: 1 April 2012	940	930	1,489	1,496
Additions at cost	227	115	300	250
Disposals at open mkt. value	(231)	(122)	(318)	(274)
Revaluation	147	17	208	17
	-----	-----	-----	-----
	1,083	940	1,679	1,489
Cash	18	15	47	32
	-----	-----	-----	-----
Balance: 31 March 2013	1,101	955	1,726	1,521
	=====	=====	=====	=====
Historical Cost	768	711	1,313	1,252

The investments held comprise units in a number of Cazenove Capital Management Limited investment funds and some direct holdings of UK Government Bonds.

10. Debtors and prepayments

	Group	
	2013	2012
	£000	£000
Trade Debtors	372	64
Prepayments	601	911
Other Debtors	66	51
	-----	-----
	1,039	1,026
	=====	=====

The amount of trade debtors is stated net after deducting a general bad debt provision of £10,000 (2012 – £10,000).

The Bar Council
Financial Statements for the Year to
31 March 2013

11. Creditors: due within one year

	Group	
	2013	2012
	£000	£000
Trade Creditors	342	592
Accruals and Deferred Income	7,653	3,121
Pension contributions	45	-
Pensions Levy	549	5,468
LSB/OLC Levy	208	10
PAYE and social security	184	213
VAT	8	24
	<u>8,989</u>	<u>9,428</u>

Deferred income above represents amounts received by the end of the year that relate to the following accounting period.

The Pensions Levy represents sums collected in 2013 but which have not yet been applied for de-risking the pension scheme (see Note 14). The aggregate sums previously collected by way of Levy, together with interest earned on the money, were paid into the pension fund in September 2012.

LSB/OLC Levy represents the excess of receipts from members of the Bar over the amounts actually demanded by the regulator. They will be applied against further demands to be raised by the LSB (see Note 4 (c)).

12. Commitments

(a) As at 31 March 2013, the Bar Council had non-cancellable commitments for operating leases as follows:

	Land and buildings	
	2013	2012
	£000	£000
Expiring: within two to five years	<u>860</u>	<u>866</u>

The gross property rental charge for the period is £860,000 (2012 – £1,070,300).

The Bar Council
Financial Statements for the Year to
31 March 2013

12. Commitments (Continued)

(b) As at 31 March 2013, the Bar Council had capital expenditure commitments of £Nil (2012 – £Nil).

13. Funds

GCB Group	Acc. Fund	Pension Reserve	Rev. Res.	Total exc. Charity	Charity	Total inc. Charity
	£000	£000	£000	£000	£000	£000
Balance: 1 Apr 2012	4,037	(3,346)	243	934	609	1,543
Changes in year:						
Operating deficit	(2,278)			(2,278)	(7)	(2,285)
Pension scheme:						
Loss on Curtailment	2,589	(2,589)		-		
Interest	(64)	64		-		
Service cost	(508)	508		-		
Pension Levy		5,894		5,894		5,894
Actuarial loss		(3,578)		(3,578)		(3,578)
Gain on investments:						
- Realised				-	(2)	(2)
- Unrealised			147	147	61	208
Rev.Res. transfer	57		(57)	-	-	-
	-----	-----	-----	-----	-----	-----
Balance: 31 Mar 2013	<u>3,833</u>	<u>(3,047)</u>	<u>333</u>	<u>1,119</u>	<u>661</u>	<u>1,780</u>

The Revenue Reserve transfer of £57,000 relates to the realisation of profits on sales of investments.

14. Pension scheme

The Bar Council sponsors the General Council of the Bar Pension and Life Assurance Fund, which is a defined benefit (final salary) scheme. The scheme closed to new members in July 2006 and closed to accrual for current service on 28 February 2013. Contributions up to that date were made at a funding rate of 26.3% of salary and were determined by the scheme actuary on the basis of triennial valuations, using the projected unit method, with a control period equal to the term to retirement for each member for the ongoing valuation results.

The most recent triennial valuation of the scheme was carried out as at 1 October 2012, under the scheme specific funding regulations. Following the payment into the scheme of £5,894,000 in

The Bar Council
Financial Statements for the Year to
31 March 2013

14. Pension scheme (Continued)

September 2012, the provisional results of this valuation indicated a deficit of £2,828,000, using assumptions agreed by the Trustees.

Provisional agreement has been reached between the Trustees and the Bar Council to aim to eliminate the funding shortfall over a period of seven years, commencing May 2013. This means the monthly deficit removal payment will increase to £41,100 from the previous level of £31,000.

The Council now only offers pension provision to members of staff through a defined contribution (stakeholder) arrangement.

Financial Reporting Standard 17 – Retirement Benefits

(a) Assumptions:

The major financial assumptions agreed with the Bar Council and used by the Actuary were:

Rates per annum:	2013	2012
	%	%
Inflation (CPI)	2.60	2.50
Salary increases	N/A	2.50
Rate of discount	4.00	4.70
Pension in payment increases (CPI)	3.00	3.00
Revaluation rate for deferred pensions	5.00	5.00

The mortality assumptions adopted imply the following life expectancies:

	2013	2012
Male retiring at age 65 today	24.4	24.2
Female retiring at age 65 today	26.4	26.6
Male retiring at age 65 in 20 years	27.6	26.2
Female retiring at age 65 in 20 years	29.6	28.5

The Bar Council
Financial Statements for the Year to
31 March 2013

14. Pension scheme (Continued)

Expected rate of return per annum on scheme assets:

	Year commencing 01/04/2012 % pa	15 mths commencing 01/01/2011 % pa	Year commencing 01/01/2010 % pa
Equity	8.00	8.00	6.50
Bonds	3.50	4.50	4.25
Property	N/A	6.25	6.00
Cash	1.50	3.50	3.75
With Profits Fund	5.00	5.50	5.25
Overall for scheme	3.06	5.17	5.00

(b) The amounts recognised in the Balance Sheet are as follows:

	2013 £000	2012 £000	2010 £000
Fair value of scheme assets: see (e) below	19,491	12,551	11,798
Present value of scheme liabilities: see (d) below	(22,538)	(15,897)	(12,937)
Deficit in scheme	(3,047)	(3,346)	(1,139)
Liability to be recognised	(3,047)	(3,346)	(1,139)

The Bar Council
Financial Statements for the Year to
31 March 2013

14. Pension scheme (Continued)

(c) The amounts recognised in the Income and Expenditure Statement are as follows:

	2013 £000	2012 £000
Current service cost	301	605
Interest cost	741	869
Expected return on scheme assets	(805)	(742)
Loss on curtailment	2,589	-
	<u> </u>	<u> </u>
Total: Recognised	<u>2,826</u>	<u>732</u>

(d) Changes in the present value of the defined benefit obligation in the period are as follows:

	2013 £000	2012 £000
Scheme Liabilities: 1 April 2012	15,897	12,937
Current service cost	301	605
Interest cost	741	869
Actuarial loss	3,676	2,216
Loss on curtailment	2,589	-
Benefits paid and Life Assurance Premium	(666)	(730)
	<u> </u>	<u> </u>
Scheme Liabilities: 31 March 2013	<u>22,538</u>	<u>15,897</u>

The Bar Council
Financial Statements for the Year to
31 March 2013

14. Pension scheme (Continued)

(e) Changes in the fair value of scheme assets in the year are as follows:

	2013	2012
	£000	£000
Scheme assets: 1 April 2012	12,551	11,798
Expected return on scheme assets	805	742
Actuarial gains/(losses)	98	(101)
Contributions by employer	6,703	842
Benefits paid and Life Assurance Premium	(666)	(730)
	<u> </u>	<u> </u>
Scheme assets: 31 March 2013	<u>19,491</u>	<u>12,551</u>

The most important assumptions underlying the present value of the scheme liabilities are the rates of interest applied to discount the estimated cash-flows arising under the increases in pensionable salaries and the pensions in payment. The assumptions used, especially in the discount rate, are influenced by market conditions and can change dramatically, causing the value of scheme liabilities to vary substantially in subsequent accounting periods. The valuation of the assets in the scheme is not affected by the actuarial assumptions because assets are measured at fair value.

(f) History of experience gains and losses:

	2013	2012	2010	2009	2008
	£000	£000	£000	£000	Restated £000
Fair value of scheme assets	19,491	12,551	11,798	10,617	9,270
Present value of scheme liabilities	22,538	15,897	12,937	10,995	7,124
(Deficit)/surplus in the scheme	(3,047)	(3,346)	(1,139)	(378)	2,146
Experience adjustment on assets	98	(101)	485	(478)	(1,267)
Experience adjustment on liabilities	869	89	(1,168)	69	(1,010)

The Bar Council
Financial Statements for the Year to
31 March 2013

14. Pension scheme (Continued)

(g) The major categories of the scheme's assets as a percentage of the total scheme assets are as follows:

	2013	2012	2010
	%	%	%
Equities	9	12	12
Bonds	14	19	17
Property	-	9	9
Cash	57	26	20
With Profits Fund	20	34	42
	-----	-----	-----
Total Assets	100	100	100
	-----	-----	-----

15. Related party transactions

The General Council of the Bar appoints the Trustees of the Pension and Life Assurance Fund and the Bar Council Scholarship Trust, and the Directors of Bar Council Properties Limited and the Bar Services Company Limited. The Bar Council has borne administration expenses for these four bodies of £102,800 (2012 – £35,100).

The General Council of the Bar is the sole shareholder in the Bar Services Company Limited. The Director of Central Services of the Bar Council holds the one share in issue on trust on behalf of the Council.

At 31 March 2013, there was an amount due to the Bar Council from the Bar Services Company of £241,000 (2012 – £Nil). There were no other amounts due to/from any of the other related parties (2012 – £Nil).

The General Council of the Bar and the Law Society are the sole members of Queen's Counsel Appointments ("QCA"). The Director of Central Services of the Bar Council and the Chief Executive of the Law Society have been appointed as Directors of QCA.

The General Council of the Bar provides accounting and secretarial services to QCA at a charge of £7,000 per annum. In addition, both of the members of QCA received a management fee in 2013 of £25,000 (2012 – £Nil).

Information on the honorarium paid to the Chairman of the Bar is shown in Note 5. Expenses paid in respect of members of the Bar Council, including the Chairman, when acting on the Bar Council's business totalled £65,000 (2012 – £105,100).

The Bar Council
Financial Statements for the Year to
31 March 2013

For information only: this report does not form part of the audited Financial Statements

Independent Report to the General Council of the Bar
In respect of the Statement under s.51 Legal Services Act 2007

Scope

In accordance with our engagement letter, we report on the procedures that we have performed on the accompanying Statement under section 51 of the Legal Services Act 2007 ("LSA Statement") for the year ended 31 March 2013, the preparation of which is the responsibility of the General Council of the Bar.

We have carried out the procedures set out below, as agreed with you, and as specified in our engagement letter. These procedures performed do not constitute an audit and therefore we do not express any opinion on the allowable expenditure met by other income on the LSA Statement. This report does not extend to any financial statements of the General Council of the Bar.

Purpose of procedures

The specific procedures that you have requested that we perform are required by you to assist in enabling you to demonstrate, if required, that income from Practising Certificate Fees has been used for the purposes set out in section 51 of the Legal Services Act 2007.

Procedures performed

We have carried out the following procedures:

- Confirmed the arithmetical accuracy of the LSA Statement
- Verified that the PCF income and expenses, as categorised on the LSA Statement, has been accurately derived from the accounting records used in the preparation of the audited financial statements, and
- For a sample of items of expenditure, agreed the amount to supporting documentation, verified that the expenditure has been incurred and that it is properly chargeable as an expense in respect of the year in question.

Findings

No errors or exceptions were identified in our work.

The Bar Council
Financial Statements for the Year to
31 March 2013

For information only: this report does not form part of the audited Financial Statements

Independent Report to the General Council of the Bar
In respect of the Statement under s.51 Legal Services Act 2007
(Continued)

Use of this report

Our report is prepared solely for the use of the General Council of the Bar and solely for the purpose of assisting you in demonstrating that income from practising certificate fees has been used for the purposes set out in section 51 of the Legal Services Act 2007. It may not be relied upon by the General Council of the Bar for any other purpose whatsoever. Our report must not be recited or referred to in whole or in part in any other document without our prior written approval. We confirm that access to our report may be given to representatives of the Ministry of Justice for the purposes set out in section 51 of the Legal Services Act 2007 although, as our report is addressed to you as our client, Chantrey Vellacott DFK LLP neither owes nor accepts any duty to any party other than yourselves and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by their reliance on our report.

Chantrey Vellacott DFK LLP

Chantrey Vellacott DFK LLP
Chartered Accountants and Statutory Auditor
Russell Square House
10-12 Russell Square,
London WC1B 5LF

Date: *22 July 2013*

The Bar Council
Financial Statements for the Year to
31 March 2013

Statement under s.51 Legal Services Act 2007

Reference	Year	Directly	Inns	Permitted	Recoup	PCF:	Pensions	Finance/	Year	Recog.
	2013	Attribut.	Contribs.	Purposes	P.P. via	LSB Levy	Levy	Other	2013	Gain
	Expend.	(Income)	(Income)	("P.P.")	PCF	(Income)	(Income)	(Income)	(Income)	for Year
	£000	£000	£000	%	£000	£000	£000	£000	£000	£000
Expenditure/Costs:										
(A) Regulation:										
Disciplinary	2,945	-108	-724		-2,113					0
Educ. Stds.	1,729	-1,011	-718							0
Qualifications	500	-246			-254					0
Professional Standards	889				-889					0
Quality	708				-708					0
QASA	256				-256					0
I. & E.	7,027	-1,365		100						
(B) Permitted Purposes:										
Approved Regulator: Corp.	1,696	-244	-16	80	-1,162			-274		0
Donations: exc. Representative		244		100	-244					0
I. & E.	1,696	0								
Representation:										
Professional Affairs	925	-925								0
Training for the Bar		247		100	-247					0
Young Bar		110	-22	80	-88					0
Professional Practice/Ethics		102		100	-102					0
Alternative Disputes Resolution		69	-10	85	-59					0
IT Panel		96	-14	85	-82					0
Employed Bar		68	-14	80	-54					0
Legal Services		76	-15	80	-61					0
Law Reform		81		100	-81					0
Direct Access		76	-4	95	-72					0
Remuneration	797	-797								0
Remun.(Policy)		448	-90	80	-358					0
International/Europe	676		-135	80	-541					0
Communications	527		-132	75	-395					0
	2,925	-349								
(C) Member Services:										
Remun.(Fees Collection)		349	-349	0						0
Member Services	1,403		-1,403	0						0
I. & E.	4,328	0								
Financial	I. & E.	741						-692		49
Total: Core activities	I. & E.	13,792								0
Curtailment - Pension Fund	I. & E.	2,589						-2,589		0
LSB/OLC: Funding	I. & E.	903				-903				0
Realised Gain: Invest. (GCB)	STRGL	0								0
Unrealis. Gain: Invest. (GCB)	STRGL	-147								-147
Pension levy paid to Fund	STRGL	-5,894						5,894		0
Actuarial loss: P. Fund	STRGL	3,578				-360		-3,305		-87
		14,821	-2,204							-185
Income	I. & E.		-3,569	-1,442	-8,126	-903	0	-966	-15,006	
Reconciliation:										
Expenditure/costs (above)	14,821									
Income: All sources	-15,006									
GCB: STRGL (Above)	-185									
Charitable Trust: (Gains)/Losses	-59									
Charitable Trust (Note 8)	7									
Group: STRGL	-237									

The Bar Council
Financial Statements for the Year to
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Five-year Financial Summary

	Year to 31 Dec 2008 £000	Year to 31 Dec 2009 £000	Year to 31 Dec 2010 £000	*Year to 31 Dec 2011 £000	Year to 31 Mar 2013 £000
<u>Income</u>					
PCF: Core activities	6,098	6,501	6,720	7,412	8,126
PCF: LSB Levy (rec'd)	-	-	862	2,028	1,111
PCF: Pensions Levy (rec'd)	-	-	2,250	2,574	549
PCF: Total	6,098	6,501	9,832	12,014	9,786
MSF	880	1,570	1,561	1,353	1,254
Total: Fees	6,978	8,071	11,393	13,367	11,040
Year on year increase %	15.0%	15.6%	41.2%	17.3%	(14.9)%
Inns Subventions	1,309	1,379	1,370	1,290	1,442
Other: Representation	342	382	399	832	950
Other: Regulation	1,022	1,308	1,243	1,435	1,365
Financial	932	665	682	729	966
Total: Other	3,605	3,734	3,694	4,286	4,723
Total: All Income	10,583	11,805	15,087	17,653	15,763
<u>Expenditure by Directorate</u>					
Corporate	(9%) 863	(9%) 933	(10%) 1,082	(8%) 966	(6%) 879
Representation	(22%) 2,056	(20%) 2,055	(18%) 1,960	(20%) 2,516	(20%) 2,770
Regulation	(31%) 2,921	(32%) 3,200	(30%) 3,343	(30%) 3,818	(31%) 4,275
Central Services	(33%) 3,114	(34%) 3,379	(36%) 4,010	(37%) 4,785	(37%) 5,127
Financial	(5%) 417	(5%) 460	(6%) 612	(5%) 695	(6%) 741
Total	9,371	10,027	11,007	12,780	13,792
<u>Expenditure by type</u>					
Staff costs	(55%) 5,138	(53%) 5,253	(56%) 6,129	(54%) 6,922	(52%) 7,060
Non-staff direct costs	(25%) 2,286	(24%) 2,444	(21%) 2,346	(22%) 2,771	(24%) 3,325
Premises	(12%) 1,129	(14%) 1,452	(15%) 1,598	(15%) 1,890	(15%) 2,066
IT (non-staff)	(2%) 176	(2%) 185	(1%) 115	(3%) 336	(3%) 469
Printing & distribution	(2%) 225	(2%) 233	(2%) 207	(1%) 166	(1%) 131
Financial	(4%) 417	(5%) 460	(5%) 612	(5%) 695	(5%) 741
Total	9,371	10,027	11,007	12,780	13,792
Year on year increase %	7.7%	7.0%	9.8%	16.1%	7.9%
<u>Staff Numbers (Average)</u>					
Corporate	6.0	5.0	5.0	5.0	5.0
Representation	25.0	25.0	29.5	35.0	35.0
Regulation	44.0	52.0	56.5	63.0	68.0
Central Services	26.0	28.0	30.5	35.0	34.0
Total	101.0	110.0	121.5	138.0	142.0
Year on year increase %	5.2%	8.9%	10.5%	13.6%	2.9%

*Note: Income and expenditure for the year to 31 December 2011 shown above is pro-rated from the accounts for the 15 month period ending 31 March 2012

The Bar Council
Financial Statements for the Year to
31 March 2013

**Officers of the Bar Council's Subsidiaries and
Associated Bodies**

Bar Council Pension and Life Assurance Fund: Trustees

Position	Name	Qualifications/experience
Chairman	John Stephens	Practising barrister
	Christopher Tidmarsh QC	Practising barrister
Member Nominated/ Secretary	Brian Buck	Head of Finance – Bar Council

Bar Council Scholarship Trust: Trustees

Position	Name	Qualifications/experience
Chairman	Fenner Moeran	Practising barrister
Trustee and Secretary	Brian Buck	Head of Finance – Bar Council

Bar Services Company Limited: Board

Position	Name	Qualifications/experience
Chairman	Mark Hatcher	Director of Representation & Policy – Bar Council
Director and Secretary	Brian Buck	Head of Finance – Bar Council
Director	Paul Mosson	Head of Member Services – Bar Council


The Bar Council
Financial Statements for the Year to
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**Officers of the Bar Council's Subsidiaries & Associated Bodies
(Continued)**

Bar Services Company Limited: Board (Continued)

The feasibility of an escrow service has been investigated and developed by the BARCO Committee, under the chairmanship of Michael Todd QC, Chairman of the Bar in 2012. Strategic oversight and guidance, especially on risk management, of the BARCO initiative has been provided to the Board and the management team of the Bar Services Company Limited by the Committee, membership of which has been drawn from various parts of the Bar community.

In addition to reviewing the operational model, the committee reports on progress quarterly to the Bar Council General Management Committee.



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The General Council of the Bar is the Approved Regulator of the Bar of England and Wales. It discharges its regulatory functions through the independent Bar Standards Board.