



SBA
The Solicitors'
Charity

Trustees' Report and Accounts

For the year ended
31 December 2010



SBA
The Solicitors'
Charity

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Chairman's Report

SBA's new Operating Name and Brand

The new image seen in this Report and on our website (www.sba.org.uk) is not an end in itself, but a step towards fulfilling the first three of our Key Objectives set out for several years past in our Trustees' Report (see Future Plans on page 7) and in the 2007 internal discussion paper "The Way Ahead". In recent years percentage membership of the charity among Solicitors on the Roll has fallen to an unacceptably low level. It was also clear that too many Solicitors were unaware of our existence. Accordingly we set up the Business Development Group (see page 3) and appointed our Business Development Director. *We are determined that SBA The Solicitors' Charity shall help the profession to meet its corporate social responsibility by first caring for its own.*

Chairman's Report

Continued

Finance

First and foremost, we are very grateful to all the Donors and Members who have once again so splendidly supported our endeavours to assist the needy within the family of the profession. Our especial thanks go to the Major Donors listed in the Overview on page 10. The Accounts (on pages 12 to 23) show that the charity's overall position is satisfactory.

Beneficiaries

The figures are on page 5 (Achievements and performance) but it is important to record the many expressions of thanks daily received by the Office, Trustees and Area Representatives, from people to whom SBA The Solicitors' Charity is a life-line. This last year we have seen some of the most harrowing stories I can recall.

The Board

Maurice Spector, Robert Urquhart, Rosalind Bax, Sara Chandler and Dominic Mills retired in June 2010 after many years service as Trustees. We again record our gratitude to them. We welcomed as new Trustees Matthew Robbins of Southampton and Graham Camps of Guildford. Especial tribute is due to Tim Cuthbertson of Birmingham for his year as Chairman from June 2009 – on short notice. Our Vice Chairman David Biddle of London has given me unstinting support, and I thank all the Trustees, especially those also doing beneficiary work and serving on the Committees, for their dedication and hard work.

Area Representatives

We could not operate without the splendid service of Area Representatives all over England and Wales. We thank them all and remind them that they are very welcome to attend the board when their beneficiaries' applications are on the agenda.

The Investment Committee

continues its careful and successful work under Anthony Surtees' skilled chairmanship, assisted by our brokers Rensburg Sheppards.

The Management Committee

of five Trustees continues to look after Financial and Staff matters, working closely with John Platt, our Accountant and acting Secretary.

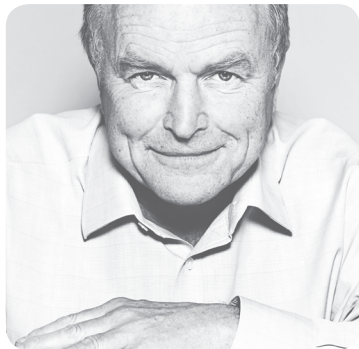
The Business Development Group

of three Trustees has, since its creation in May, been working closely with our new Business Development Director, Phyllida Wilson, on the vital work of building relationships with people and organisations for the benefit of the charity. We congratulate her on persuading Clive Anderson to become our Vice Patron and on the successful launch by Clive of our new Website at Reed Smith's splendid Broadgate Tower in October. Clive's speech was very witty and highly pertinent. We were also addressed very encouragingly by Stephen Ward, Communications Director of the Law Society. Through Phyllida's indefatigable efforts we are forging much closer relationships with The Law Society and potential major sponsors.

Staff: John Platt, together with Angi Birts and Sarah Collier, our very experienced beneficiary secretaries, Annette Brotherton, office manager and Anne Rawlinson, membership administrator, all continue at Jaggard Way and, as mentioned above, we welcomed Phyllida Wilson to the staff on 26th April 2010. The Board thanks them all for their sterling work, and I much appreciate their personal kindnesses to me as Chairman since June.

David Wyatt
Chairman
16 March 2011

Trustees' Report



Vice Patron
Clive Anderson

Structure

The Solicitors Benevolent Association Limited (SBA) is a charitable company limited by guarantee, which was incorporated on 23 May 2008, and registered as a charity on 16 June 2008. The company was established under a Memorandum and Articles of Association, its objects and powers being set out therein, and its governing document being the Articles. Membership of the charitable company is open to any solicitor or former solicitor who is approved by the Trustees. Members are entitled to attend General Meetings, and in the event of the company being dissolved, members would each be required to pay up to £10 towards the liabilities and the costs of dissolution. All Directors must be members.

The activities of the charitable company were previously carried out by the Solicitors Benevolent Association, an unincorporated charity founded in 1858. On 1 January 2009 the activities of the unincorporated charity, together with its entire assets and liabilities amounting to £13.3m, were transferred to the new charitable company. A Uniting Direction under S96(6) of the Charities Act 1993 was issued by the Charity Commission on 17 March 2009, by which the unincorporated charity should be treated as forming a part of the charitable company for the purposes of Part II (registration) and Part VI (accounting) of the Charities Act 1993.

The charitable company commenced operations on 1 January 2009. The transfer of net assets from the unincorporated charity was shown as an Exceptional Item in the income section of the 2009 Statement of Financial Activities. There were no Funds brought forward, and the Notes to the Accounts show the transfers of assets and liabilities rather than brought forward figures at 1 January 2009.

Governance

Under the SBA's Articles the Directors are known as Trustees. As charity trustees they have control of the charitable company and its property and funds, and are responsible for its governance. The Trustees are elected by the members at the Annual General Meeting. The Trustees may co-opt members to fill casual vacancies, but a co-opted trustee holds office only until the next AGM and can then be eligible for re-election. One half of the Trustees must retire at each AGM and may be re-appointed. When Trustees are elected they are provided with comprehensive information, which outlines their responsibilities and details how the Association operates. All Trustees are solicitors or retired solicitors and so the need for training is limited but provided when specifically requested.

The Trustees who have served during the year are shown on page 24. With the exception of Graham Camps, who was appointed on 10 November 2010, and Matthew Robbins, who was appointed on 10 March 2010, all of the Trustees have served for the whole period. Robin Shepherd retires by rotation at the forthcoming AGM. Anthony Surtees, Robert Thomas, John Vertigan, Richard Wheen, Sally Williams, David Wyatt, Cordella Bart-Stewart, Graham Camps, Anthony Cumming, Richard Debenham, Colin Dickinson, and Matthew Robbins also retire by rotation and, being eligible, offer themselves for re-election.

The Trustee Board meets ten times a year to make and review policy and to consider applications for assistance. Three sub-committees have been established to oversee certain areas of the SBA's operations, these are the Investment Committee, the Management Committee, and the Business Development Group. Day to day management and administration of the SBA and the execution of the Board's policies is carried out by the staff, who operate within annual budgets and plans approved by the Board.

The Trustees have conducted a review of the major risks to which the SBA is exposed. A Risk Register has been established and is reviewed regularly by the Trustees to ensure that it takes account of all current factors and to ensure that the necessary controls to minimise risk are in place. The Trustees are satisfied that the major risks to which the Charity is exposed have been identified and reviewed and that systems and procedures are in place to manage those risks.

Objectives and Activities

The objects of the SBA as set out in the governing document are to provide relief and assistance for 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 are or have been the civil partner of Solicitors so admitted, or who are or have been dependants of Solicitors so admitted.

Relief and assistance is wholly financial and is provided by way of grant or loan. Whether an individual is "in need" is decided by reference to net income guidelines decided annually by the Trustees who nevertheless use their discretion and provide help in other cases even where these guidelines may be exceeded. The number of people assisted has remained fairly constant at around 300 annually but it is expected that applications for assistance will rise as a result of current economic conditions.

An important activity has been the raising of awareness of the SBA amongst potential beneficiaries, and amongst others who can identify those in need and direct them toward the SBA. In this way, the SBA would hope to increase the number of beneficiaries. At the same time, the SBA would hope that this raised profile would help to maintain and increase the subscribers from whom subscription and donation income is received annually, from individual Solicitors and also Solicitors' firms on behalf of their partners and staff, and which is already a significant source of income. To this end, the Business Development Group was established during the year, and the charity was re-launched with an updated new corporate look and a new operating name, SBA The Solicitors' Charity.

The main sources of income are subscriptions and donations, conditional donations, and investment income. Maintaining and increasing the inflow of such funds is essential to the achievement of the SBA's objectives.

Public Benefit

The objects of the SBA are to provide relief and assistance to Solicitors, their spouses and partners, and their dependants, the only restriction being that the Solicitor must have been admitted to the Roll of Solicitors for England and Wales. The SBA advertises extensively each year in national and local publications available to the profession to ensure the widest circulation of the availability of assistance, and a current priority is to take appropriate actions to raise awareness of the SBA amongst potential beneficiaries, and amongst others who can identify those in need and direct them toward the SBA.

The Trustees have referred to the guidance in the Charity Commission's general guidance on public benefit when reviewing the SBA's aims and objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

Volunteers

At present there are 25 Trustees and 87 Area Representatives, all of whom are either practising or retired solicitors, who act as SBA representatives in their areas, visit beneficiaries, help process their applications and make recommendations to the Board. There is always a need to increase the number of these volunteers so as to be able promptly to address the needs of people turning to the SBA for help.

Achievements and Performance

The main achievements during the year can be seen from the following performance indicators (2009 in brackets):

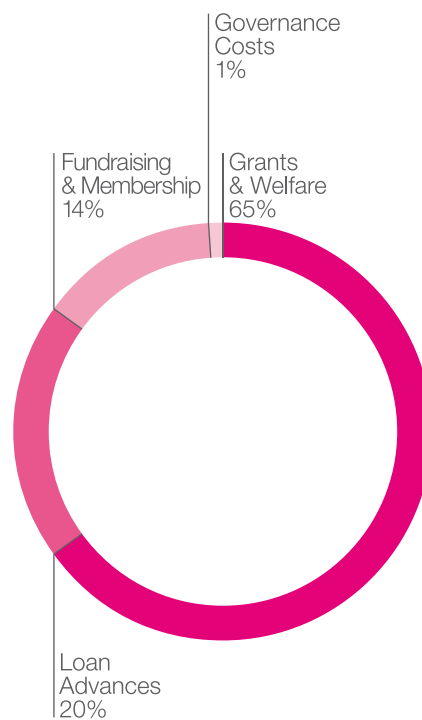
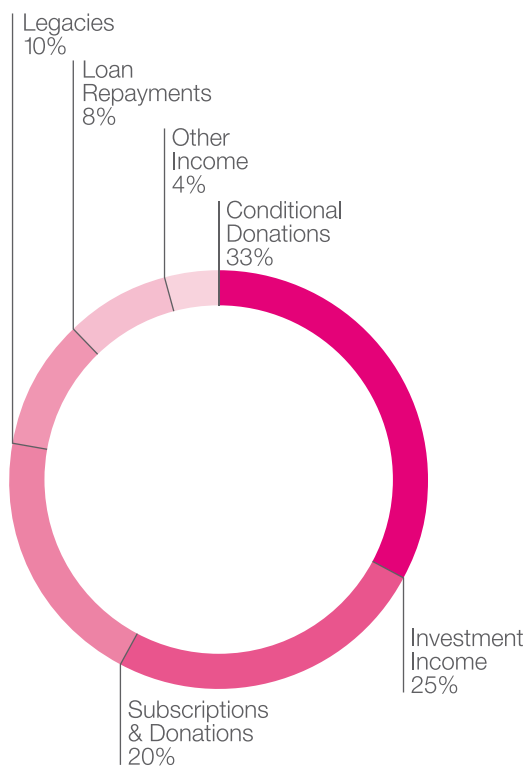
- Grants and loans were made to 317 (315) beneficiaries
- Grants included £174,500 (£144,000) made to 53 (47) university student beneficiaries
- Grants made totalled £970,311 (£835,257) and loans advanced £335,661 (£337,698)
- Loans repaid to the SBA by beneficiaries totalled £161,807 (£200,623)
- New beneficiaries totalled 81 (80)
- Enquiries from potential beneficiaries averaged 15 per month (19)
- The surplus in 2009 of £267,071 before investment gains and losses was increased to a surplus of £428,260
- The aggregate number of Trustees and volunteer Area Representatives amounted to 112 (114)
- The investment portfolio increased in value by net investment gains of £0.8m (£1.2m)
- Donations includes £198,280 on the winding up of The Norwich and Norfolk Solicitors Amicable Society

Trustees' Report

Continued

Financial Review

	2010 £	2009 £		2010 £	2009 £
Receipts			Payments		
Subscriptions and Donations	389,841	211,943	Grants and Welfare	1,106,340	1,022,614
Legacies	200,000	192,694	Fundraising and Membership	242,584	158,040
Conditional Donations	650,727	557,463	Governance Costs	19,042	32,741
Investment Income	481,138	429,957	Loan Advances	347,785	337,698
Other Income	74,520	88,409			
Loan Repayments	161,807	200,623			
	1,958,033	1,681,089		1,715,751	1,551,093



Total income for the year (excluding loan repayments) amounted to £1,796,226 (£1,480,466). Total expenditure for the year (excluding loan advances) amounted to £1,367,966 (£1,213,395). The consequent operating surplus before investment gains was £428,260 (£267,071).

Profits on investments amounted to £827,671 (£1,191,809) which when added to the operating surplus and the funds transferred from the unincorporated charity, brought the total net assets to £15,998,534 (£14,742,603). The principal net assets are the Investment Portfolio £10,880,319 (£10,683,454) and the Secured Loans to beneficiaries £3,623,382 (£3,482,012).

The investment objectives of the SBA are to achieve a balanced return in terms of capital growth and income from a portfolio of investments with a medium risk profile.

The Trustees believe it prudent to hold reserves, which enable the SBA to maintain the current levels of grant and loan making and be ready to meet an expected increase in requests for assistance. Approximately 30% are free reserves available for use as unrestricted funds and needed for operational purposes, particularly as a cushion against operating deficits and adverse stock market fluctuations. The Trustees consider that the level of free reserves should ideally be maintained at an amount equivalent to four years' grant and loan making. This level was 3.6 years at 31 December 2009, and although grants and loans have increased by 11%, has with the benefit of the surplus and investment gains in 2010 remained at 3.6 years at 31 December 2010.

The Trustees have considered the level of reserves, and consider that this is adequate to continue the going concern status of the charity.

Future Plans

Key Objectives are to:

- Raise awareness of the SBA amongst potential beneficiaries
- Increase subscriber numbers
- Maintain and increase the level of voluntary income by an increase in membership subscriptions
- Obtain a balanced return on investments from capital growth and income

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.

Auditors

A resolution to re-appoint Baker Tilly UK Audit LLP as auditors of the company is to be proposed at the forthcoming annual general meeting.

Annual General Meeting

Notice is hereby given that the Annual General Meeting will be held in the Old Court Room, The Honourable Society of Lincoln's Inn, London WC2A 3TL on Wednesday 15th June 2011 at 12 noon for the purpose of receiving the Report of the Trustees on the proceedings of the SBA and the audited accounts for 2010, of electing Trustees, re-appointing Auditors, and of conducting such other business, if any, as the Articles of Association allow.

This report has been prepared in accordance with the Statement of Recommended Practice : Accounting and Reporting by Charities (Issued in March 2005) and in accordance with the provisions applicable to the small companies regime.

Approved by the Board of Trustees on 16 March 2011 and signed on its behalf by

David Wyatt
Chairman

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 proper 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.

Julie and her daughter
SBA beneficiaries



Independent Auditor's Report to the members of the Solicitors Benevolent Association Limited

(limited by guarantee)

We have audited the financial statements of the Solicitors Benevolent Association Limited for the year ended 31 December 2010 on pages 12 to 23. 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 charitable company'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 charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' responsibilities, the trustees (who are also the directors of the 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.

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

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2010 and of its incoming resources and application of resources, including 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 Companies Act 2006.

Opinion on other requirement of the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- the charity has not kept adequate accounting records, 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; or
- 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.

SARAH MASON (Senior Statutory Auditor)
For and on behalf of BAKER TILLY UK AUDIT LLP,
Statutory Auditor
46 Clarendon Road
Watford
Hertfordshire
WD17 1JJ

15 June 2011

Supporting the SBA

During the year the Charity Commission gave approval to the winding up of The Norwich and Norfolk Solicitors' Amicable Society (Registered Charity Number 206223) and the transfer of its assets to the Solicitors Benevolent Association (SBA). This was on the condition that the Permanent Endowment Fund of the Society be preserved, and that the other funds of the Society be earmarked principally for the benefit of applicants for relief residing in the current area of operation of the Society, subject to which they may be applied for the general purposes of the SBA. The Permanent Endowment Fund of The Norwich and Norfolk Solicitors' Amicable Society amounted to £57,732, and the other funds £140,548, and the SBA is particularly grateful for this very generous donation.

Many firms pay an annual subscription on behalf of their partners and employed Solicitors, or contribute donations which included the following substantial payments in 2010:

	£
Allen & Overy	8,000
DLA Piper	5,000
Slaughter and May	5,000
Linklaters	4,000

Donations were also received from:

	£
The H M Hubbard Will Trust	53,750
The Pritt & Corlett Funds	14,874
Legal Charities Garden Party	6,000
City of London Solicitors Company	5,500
The Blundell Lectures	4,268
Christopher Reeves Charitable Trust	1,000

Solicitors may donate unclaimed balances in their firm's client account on a conditional basis, in the knowledge that the SBA retains substantial reserves which would enable repayment of the donation if the entitled legal owner is ever traced. Solicitors Regulation Authority approval is required for the donation of the individual sums over £50. Major Conditional Donations were received during the year from:

- Berry Redmond and Robinson
- Charles Lucas Marshall
- Finers Stephens Innocent LLP
- Forbes Hall LLP
- Forresters Solicitors Limited
- Graham Coffey & Co
- Hallam-Peel & Co
- Hutchinson & Buchanan
- Kidd Rapinet
- Lemon & Co
- Mayo Wynne Baxter LLP
- Meyrick Mills
- Michael Simkins LLP
- Morrish Solicitors LLP
- Nicholas Levigne
- S Rutter & Co
- RSM Tenon Recovery
- Wilson Browne LLP

Donations were gratefully received from the following Law Societies:

	£
Berks Bucks & Oxon	500
Blackburn Incorporated	500
Blackpool & Fylde District	250
Bournemouth & District Incorporated	500
Cardiff & District	100
Carlisle & District Incorporated	2,750
Chester & North Wales Incorporated	100
Cornwall	4,000
Devon & Somerset	1,750
Dorset	1,000
Eastbourne	750
Halifax	4,000
Hampshire Incorporated	1,329
Hastings & District	250
Hertfordshire	1,500
Lincolnshire	500
Manchester	3,849
Middlesex	100
Neath & Port Talbot	250
Norfolk & Norwich	1,500
Nottinghamshire - Junior Lawyers Division	452
Nottinghamshire	250
Peterborough & District	500
Southend-on-Sea & District	750
Suffolk & North Essex	315
Warwickshire	297
West Cumberland	750
West Essex	250
Westmorland	500
West London	500
Worthing	500
Total	30,542

Two substantial legacies were received during the year. A further legacy of £100,000 was received from the Executors of Mr BLV Richards, bringing the total received to £250,000. A further legacy of £100,000 was also received from the Executors of Mr BH Parsons, bringing the total received to £120,000.

Accounts

Statement of Financial Activities for the year ended 31 December 2010

(Incorporating the income and expenditure account)

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2010 £	Total Funds 2009 £
Incoming Resources						
Incoming resources from generated funds						
Voluntary income	2	1,182,836	68,874	57,732	1,309,442	1,038,733
Activities for generating funds	3	5,646	—	—	5,646	11,776
Investment income	4	481,138	—	—	481,138	429,957
Total incoming resources		1,669,620	68,874	57,732	1,796,226	1,480,466
Resources Expended						
Costs of generating funds						
Costs of generating voluntary income	5	242,584	—	—	242,584	158,040
Charitable activities	6	1,037,466	68,874	—	1,106,340	1,022,614
Governance costs	7	19,042	—	—	19,042	32,741
Total resources expended		1,299,092	68,874	—	1,367,966	1,213,395
Net incoming resources before other recognised gains and losses		370,528	—	57,732	428,260	267,071
Other Recognised Gains and Losses						
Recognised losses on investment assets	11	(41,191)	—	(5,192)	(46,383)	(80,661)
Unrecognised gains on investment assets	20	776,210	—	97,844	874,054	1,272,470
Net movement in funds		1,105,547	—	150,384	1,255,931	1,458,880
Reconciliation of Funds						
Exceptional item						
Funds transferred from SBA	21	—	—	—	—	13,283,723
Total funds brought forward		13,378,810	—	1,363,793	14,742,603	—
Total funds carried forward		14,484,357	—	1,514,177	15,998,534	14,742,603

The Statement of Financial Activities includes all gains and losses recognised in the financial year. All incoming resources and resources expended derive from continuing activities. The notes on pages 14 to 23 form part of these accounts.

Balance Sheet as at 31 December 2010

	Note	Unrestricted Funds £	Endowment Funds £	Total Funds 2010 £	Total Funds 2009 £
Fixed Assets					
Tangible fixed assets	10	196,407	—	196,407	199,827
Investments	11	9,366,142	1,514,177	10,880,319	10,683,454
Secured loans to beneficiaries	1	3,623,382	—	3,623,382	3,482,012
		13,185,931	1,514,177	14,700,108	14,365,293
Current Assets					
Debtors	12	179,843	—	179,843	193,527
Cash at bank and in hand		1,526,439	—	1,526,439	588,149
		1,706,282	—	1,706,282	781,676
Creditors: amounts falling due within one year	13	(379,635)	—	(379,635)	(374,959)
Net current assets		1,326,647	—	1,326,647	406,717
Total assets less current liabilities					
		14,512,578	1,514,177	16,026,755	14,772,010
Creditors: Amounts falling due after more than one year					
Life subscriptions	14	(28,221)	—	(28,221)	(29,407)
Net assets		14,484,357	1,514,177	15,998,534	14,742,603
Funds					
Funds	17/18/19	14,484,357	1,514,177	15,998,534	14,742,603
Total funds		14,484,357	1,514,177	15,998,534	14,742,603

The accounts have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005) and in accordance with the provisions applicable to companies subject to the small companies regime.

These accounts on pages 12 to 23 were approved by the Board of Trustees and authorised for issue on 16 March 2011 and signed on its behalf by:

David Wyatt
Chairman

Michael John
Honorary Treasurer

Solicitors Benevolent Association Limited
Registered company number: 6601907
Registered charity number: 1124512

The notes on pages 14 to 23 form part of these accounts.

Notes to the Accounts for the year ended 31 December 2010

1. Accounting Policies

The accounts are prepared under the historical cost convention, modified by the revaluation of investments, and in accordance with the principal provisions of the Statement of Recommended Practice for Charities (SORP 2005) issued in March 2005, the Companies Act 2006, United Kingdom accounting standards, and the Charities Act 1993 and 2006. The nature of the SBA's activities are such that its voluntary and investment income represent the majority of incoming resources. Forecasts have been prepared on the basis that this income continues to be forthcoming, as in prior years. However, the Trustees will only issue grants and loans in accordance with the amount of reserves available to do so, and therefore they consider it appropriate to prepare the financial statements on the going concern basis.

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

- (a) Annual subscriptions, donations and legacies are accounted for as received. Legacies receivable are also included within incoming resources once it has become certain that the legacy will be received and the value can be measured with sufficient reliability
- (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 14).
- (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 resources expended immediately.
- (e) Direct costs are allocated to the appropriate heading in the SOFA as follows:
 1. Cost of generating voluntary income comprises PR, advertising, membership, and event costs.
 2. Fundraising trading comprises merchandising costs
 3. Charitable activities comprises grants to individual beneficiaries, welfare and associated legal costs.
 4. Governance costs comprise costs associated with constitutional and statutory requirements.
- (f) Pension contributions which are paid for certain employees under a defined contribution pension scheme are recognised in resources expended as they are paid.
- (g) Freehold land is not depreciated but the freehold building is written off in equal instalments over 50 years.
- (h) Office equipment costing less than £10,000 is not capitalised but is written off on acquisition through the Statement of Financial Activities.
- (i) 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 separated in the SOFA.
- (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 17, 18 and 19.

Kabir
SBA beneficiary



Support costs comprises the apportionment of common office costs between the fund-raising activities and the charitable activities, in proportion to the staff costs in each of these areas.

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2010 £	Total Funds 2009 £
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2. Voluntary Income

Annual subscriptions and donations	328,973	—	57,732	386,705	208,676
Life subscriptions (see note 14)	3,136	—	—	3,136	3,267
Legacies	200,000	—	—	200,000	192,694
Other charities (see note 19)	—	68,874	—	68,874	76,633
Conditional donations (see note 18)	650,727	—	—	650,727	557,463
	1,182,836	68,874	57,732	1,309,442	1,038,733

2010
£

2009
£

3. Activities for generating funds

Merchandising	—	3,701
Events	5,646	8,075
	5,646	11,776

2010
£

2009
£

4. Investment Income

Income from listed investments	475,611	423,142
Interest on cash deposits	5,527	6,815
	481,138	429,957

	Unrestricted Funds £	Restricted Funds £	Total Funds 2010 £	Total Funds 2009 £
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5. Costs of generating funds

Costs of generating voluntary income

Business development and advertising	87,650	—	87,650	32,657
Repayments of conditional donations	13,661	—	13,661	23,204
Salary costs	68,355	—	68,355	43,108
Support costs	72,918	—	72,918	59,071
	242,584	—	242,584	158,040

Notes to the Accounts for the year ended 31 December 2010

Continued

	Unrestricted Funds £	Restricted Funds £	Total Funds 2010 £	Total Funds 2009 £
6. Charitable Activities				
Grants to beneficiaries				
Cost of living allowances	444,383	68,874	513,257	475,885
Supplementary, leisure, special and miscellaneous grants	271,345	—	271,345	208,892
Nursing home fees	11,209	—	11,209	6,480
Educational support	174,500	—	174,500	144,000
	901,437	68,874	970,311	835,257
Welfare salaries, travel and legal costs	71,657	—	71,657	94,345
Support costs	64,372	—	64,372	93,012
	1,037,466	68,874	1,106,340	1,022,614

In addition to grants of £970,310 (2009: £835,257), secured loans totalling £335,661 (2009: £337,698) and unsecured loans totalling £12,124 (2009: £nil) were advanced to beneficiaries. Repayments of secured loans totalling £155,754 (2009: £187,044) and unsecured loans totalling £6,053 (2009: £13,579) were received. Provisions against repayments of secured loans totalling £38,537 (2009: £nil) and unsecured loans totalling £2,000 (2009: £nil) were made.

The number of beneficiaries assisted in 2010 was 317 (2009: 315).

	Unrestricted Funds £	Restricted Funds £	Total Funds 2010 £	Total Funds 2009 £
7. Governance Costs				
Auditor's remuneration - audit services	11,473	—	11,473	10,873
Legal costs on incorporation and Other	4,054	—	4,054	19,179
Cost of Trustees' meetings and AGM	3,515	—	3,515	2,689
	19,042	—	19,042	32,741

Expenses re-imbursed to 2 (2009: 4) Trustees for travel amounted to £670 (2009: £748). No other reimbursements or payments were made to Trustees.

	Staff Costs £	Other Costs £	Total 2010 £	Total 2009 £
8. Total Resources Expended				
Costs of generating voluntary income (see note 5)	103,127	139,457	242,584	158,040
Charitable activities (see note 6)	91,041	1,015,299	1,106,340	1,022,614
Governance costs (see note 7)	—	19,042	19,042	32,741
	194,168	1,173,798	1,367,966	1,213,395

Staff costs

Wages and salaries			168,680	190,930
Social security costs			16,720	16,043
Pension costs			8,768	10,701
			194,168	217,674

Other costs

Grants to beneficiaries			970,311	835,257
Premises and equipment			71,821	45,394
Business development, advertising, audit and miscellaneous			118,005	91,866
Repayments of conditional donations			13,661	23,204
			1,173,798	995,721

Employees who received emoluments between £50,000 and £60,000			—	1
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The average number of employees on a full time equivalent basis was:

Beneficiary welfare	2010	2009
Fundraising, membership and publicity	1	1
Management and administration	1	1
	3	2
		4

The SBA provides retirement benefits for certain employees under a defined contribution pension scheme. The assets of the scheme are held separately from those of the SBA in independently administered funds.

The SBA has Indemnity Insurance costing £1,313 (2009: £1,313) 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.

Notes to the Accounts for the year ended 31 December 2010

Continued

	2010 £	2009 £
9. Support Costs		
Breakdown of support costs		
Management and administrative salaries	65,469	106,689
Office accommodation and administration costs	71,821	45,394
	137,290	152,083
Allocation of support costs		
Charitable activities	64,372	93,012
Costs of generating voluntary income	72,918	59,071
	137,290	152,083

Support costs are allocated between Charitable activities and Costs of generating voluntary income in proportion to direct salary costs incurred in each area. The apportionment represents 107% of direct salary costs (2009: 137%).

	Freehold Land £	Freehold Buildings £	Total £
10. Tangible Fixed Assets			
Cost at 1 January and 31 December 2010	100,000	172,161	272,161
Depreciation at 1 January 2010	—	(72,334)	(72,334)
Depreciation charge for the year	—	(3,420)	(3,420)
Depreciation at 31 December 2010	—	(75,754)	(75,754)
Net book value at 31 December 2010	100,000	96,407	196,407
Net book value at 31 December 2009	100,000	99,827	199,827

There were no capital commitments (2009: £nil).

	2010 £	2009 £
11. Fixed Asset Investments		
Quoted investments		
Market value at 1 January 2010	10,683,454	9,037,847
Additions	2,796,021	3,298,141
Disposals	(3,426,827)	(2,844,343)
Net realised losses	(46,383)	(80,661)
Net unrealised gain/(loss)	874,054	1,272,470
Market value at 31 December 2010	10,880,319	10,683,454
Historical cost as at 31 December 2010	8,812,747	9,228,388
Investments analysis at 31 December		
UK Fixed Interest	2,111,281	3,964,193
UK Equities	7,050,959	6,370,238
Overseas Equities	1,718,079	349,023
	10,880,319	10,683,454

At 31 December 2010 there were no investments which exceeded 5% of the investment portfolio market value.

	Unrestricted Funds £	Endowment Funds £	Total Funds 2010 £	Total Funds 2009 £
Gains and losses on Investment Assets				
Realised losses on disposals	(41,191)	(5,192)	(46,383)	(80,661)
Unrealised gains (see note 19)	776,210	97,844	874,054	1,272,470
	735,019	92,652	827,671	1,191,809

Notes to the Accounts for the year ended 31 December 2010

Continued

	2010 £	2009 £
12. Debtors		
Income tax recoverable	3,637	3,634
Unsecured loans to beneficiaries	125,896	121,825
Prepayments	11,530	8,322
Other debtors	38,780	59,746
	179,843	193,527

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

	2010 £	2009 £
13. Creditors: amounts falling due within one year		
Accruals	15,839	17,942
Unpaid beneficiary awards	355,856	351,446
Other tax and social security	5,892	4,101
Other creditors	2,048	1,470
	379,635	374,959

	2010 £	2009 £
14. Creditors: amounts falling due after more than one year		
Balance at 1 January 2010	29,407	31,194
Received during the year	1,950	1,480
	31,357	32,674
Transferred to incoming resources	(3,136)	(3,267)
Balance at 31 December 2010	28,221	29,407

15. Contingencies and Commitments

The SBA has a contingent liability to return any part of conditional donations received to contributing firms. On 31 December 2010 the total conditional donations received net of repayments amounted to £6,006,264 (2009: £5,369,198) (see note 18).

At 31 December 2004 (more than 6 years ago) Conditional donations were £3,316,923.

At 31 December 1995 (more than 15 years ago) Conditional donations were £928,107.

The SBA has a commitment to pay secured and unsecured loans totalling £145,405 (2009: £191,916) which have been authorised but not yet paid.

The SBA provides retirement benefits for certain employees under a defined contribution pension scheme administered by the Pensions Trust. The SBA has been notified of the estimated employer debt on withdrawal from the scheme based on the financial position of the scheme as at 31 December 2010. As of this date the estimated employer debt was £134,678 (31 March 2009: £206,070)

16. Analysis of Net Assets between Funds

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

17. Endowment Fund

The Endowment Fund 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 opening balance at 1 January 2010 of £1,363,793 has been increased by investment profits of £92,652 to a balance at 31 December 2010 of 1,456,445 before the transfer from The Norwich and Norfolk Solicitors Amicable Society of £57,732 referred to below. Gains or losses on Investment Assets during the year are allocated between Unrestricted Funds and Endowment Funds in proportion to their opening balances.

Permanent Endowment Funds of £57,732 were received from The Norwich and Norfolk Solicitors Amicable Society at 31 December 2010. Income is earmarked principally for beneficiaries residing in that area, subject to which it may be applied for the general purposes of the SBA.

Notes to the Accounts for the year ended 31 December 2010

Continued

	General Fund £	Conditional Donations £	Total Funds £
18. Unrestricted Funds			
The analysis of unrestricted funds is:			
At 1 January 2010	8,009,612	5,369,198	13,378,810
Movements	468,481	637,066	1,105,547
At 31 December 2010	8,478,093	6,006,264	14,484,357

The conditional donations movements are shown net of repayments of £13,661 (2009: £23,204).

2010
£

2009
£

19. Restricted Funds

The charity received incoming resources from other charities for specific beneficiaries, and these have all been spent in full during the year as intended.

The HM Hubbard Will Trust	53,750	57,177
The Pritt & Corlett Funds	14,874	19,456
The Eva Crawley Bursary	250	—
	68,874	76,633

	Unrestricted Funds £	Endowment Funds £	Total Funds £
20. Reconciliation of Movements in Unrealised Gains on Fixed Asset Investments			
Net unrealised gains at 1 January 2010	1,292,182	162,884	1,455,066
Less attributable to disposals in the year	(232,270)	(29,278)	(261,548)
Add net profits on revaluations in the year	776,210	97,844	874,054
Net unrealised gains at 31 December 2010	1,836,122	231,450	2,067,572

21. Transfer from unincorporated Solicitors Benevolent Association

The activities of the charitable company were previously carried out by the Solicitors Benevolent Association, an unincorporated charity founded in 1858. On 1 January 2009 the activities of the unincorporated charity, together with its entire assets and liabilities amounting to £13.3m were transferred to the new charitable company. A Uniting Direction under S96(6) of the Charities Act 1993 was issued by the Charity Commission on 17 March 2009, by which the unincorporated charity should be treated as forming a part of the charitable company for the purposes of Part II (registration) and Part VI (accounting) of the Charities Act 1993.

The charitable company commenced operations on 1 January 2009. The transfer of net assets from the unincorporated charity were shown as an Exceptional Item in the income section of the Statement of Financial Activities. As there were no Funds brought forward, the Notes to the 2009 Accounts showed the transfers of assets and liabilities rather than brought forward figures at 1 January 2009.

The assets and liabilities at 1 January 2009 were as follows:

	£
Tangible fixed assets	203,247
Investments at market value	9,037,847
Secured loans to beneficiaries	3,339,258
Current assets including cash of £1,054,630	1,221,005
Current liabilities	(486,440)
Creditors falling due after more than one year	(31,194)
	13,283,723

The net assets transferred were represented by the following funds:

Unrestricted funds	12,053,345
Endowment funds	1,230,378
	13,283,723

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Vice-President

Anthony Surtees

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Michael John

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Angi Birts
Sarah Collier

Administration

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Accountant & Company Secretary

John Platt FCA

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SBA 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 dependants of Solicitors so admitted.

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