

THE CLARK FOUNDATION FOR LEGAL EDUCATION

Accounts

For The Year Ended 31 March 2025

Registered Scottish Charity No. SC018520

THE CLARK FOUNDATION FOR LEGAL EDUCATION
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THE CLARK FOUNDATION FOR LEGAL EDUCATION
Report of the Trustees
For the year ended 31 March 2025

The trustees present their annual report and accounts of the charity for the year ended 31 March 2025. The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland effective 1 January 2019.

Objectives and activities

The purpose of the Foundation is (1) to promote or advance the legal or the professional or the business education or training of (a) persons practising law or involved (or intending to practice law or be so involved) in the administration of law in Scotland or elsewhere in the United Kingdom whether as solicitors or advocates or in any other capacity and (b) persons studying or teaching law at universities or other institutions of higher education based in Scotland or anywhere else in the world and (2) to promote good citizenship and civic responsibility and for that purpose to advance the active understanding of the law by the general public (including primary and secondary students at school and other learning institutions in Scotland).

The trustees may award grants or scholarships to suitable candidates, sponsor the publication of books, journals, presentations and podcasts, hold or sponsor conferences, provide equipment for study and research, endow the maintenance of chairs or lectureships of law, institute and endow prizes and awards and generally undertake or promote such activities as shall further the purposes of the Foundation.

Grant making policy

The Clark Foundation for Legal Education invites applications annually by the end of March in each year for Grants and Scholarships from (a) persons practising law in Scotland whether as solicitors or advocates; (b) university professors and lecturers in law at Scottish Universities and (c) persons studying at Scottish Universities or other institutions of higher education based in Scotland, and thereby contributing to the development of the Scottish Legal System through enabling suitable applicants:

- 1 To undertake (a) courses of study in Scots law or comparative legal systems or the law of the European Union or foreign languages or business management or (b) the writing of legal textbooks; or
- 2 To undertake research in any one or more aspects of Scots law and/or its relationship with other legal systems or the institutions of the European Union; or
- 3 Attend international student competitions and conferences.

The grant and amount of any award, and the period for which it is to run, is within the discretion of the trustees.

Following a strategic review, the trustees have decided that, in addition to the annual grant making process, the trust may make discretionary ad hoc awards to invited applicants. This is outwith the annual process and allows the trustees to be more proactive in determining which proposals to support.

Achievements and performance

The trust continues to award grants in order to contribute to the development of the Scottish legal system. During the financial year net grants totalling £67,978.00 (2024; £32,547.97) were awarded. During the year a total of 23 (2024; 19) grants were awarded to individuals pursuing legal studies mostly at post graduate level and institutions to support legal education.

THE CLARK FOUNDATION FOR LEGAL EDUCATION
Report of the Trustees
For the year ended 31 March 2025

Financial review

Performance review for the year

The operations for the financial year ended 31 March 2025 resulted in net movement in funds of £(11,992.55) (2024; £140,557.80 net movement) as set out in the Statement of Financial Activities on page 6. All assets are held for these charitable purposes and the net assets of £2,597,424.17 at 31 March 2025 (2024; £2,609,416.72) are adequate to fulfil the charity's obligations.

The trust's work is entirely reliant on income and investment returns from its share portfolio. Realised and unrealised gains for the period amounted to £30,838.23 (2024; £128,799.84 overall gains). The trustees are satisfied with the performance of the trust investment portfolio over the period, on a total return basis the portfolio value returned 4% (2024: 8.5%) against the 6.3% (2024 12.9%) rise in the composite benchmark index. The composite benchmark index is a bespoke benchmark made up of the following components : 3.0% BofA Merrill Lynch 5-15 Year Gilts Index, 2.0% Bof A Merrill Lynch 1-10 Years Index Linked Gilts Index, 5.0% BofA Merrill Lynch Sterling Corporate Bond Index, 35.0% MSCI United Kingdom Equity Index, 40.0% MSCI World Index (ex UK), 2.5% MSCI UK IMI Liquid Real Estate, 10.0% IVVI Alternatives Composite and 2.5% BofE Base Rate (-0.5%). The Peer Group Benchmark, which compares portfolios managed with a similar risk profile, returned 2.1% over the same 12 month period.

Reserves policy

The trustees maintain a sufficient level of unrestricted reserves as detailed in note 16, of £2,597,424.17 as at 31 March 2025 (2024 £2,609,416.72), to maintain the grants awarded in the event of a significant reduction in income.

Investment policy

The investment aim adopted by the trustees is to maximise the overall income of the trust whilst attempting to achieve a reasonable degree of capital growth. Investments are made on a medium/high risk basis.

Risk management

The trustees have assessed the risks to which the trust is exposed and are satisfied that systems are in place to mitigate those risks. The most significant areas of uncertainty are the level of investment return and overall performance over time of the mix of assets in the portfolio in volatile markets. These areas are regularly reviewed by both the investment managers and secretaries and treasurers, reporting to the trustees.

Future plans

The trustees shall continue to promote and advance the legal and business education and training of Scots lawyers and students of Scots law and thereby contribute to the development of the Scottish legal system.

Structure, governance and management

Constitution

The trust is a registered scottish charity, number SC018520, and is constituted under a trust deed. The trust funds are held in accordance with Miss Jean Clark's Deed of Trust dated 5 September 1991 and Supplementary Deeds dated 24 August 2010, 12 June 2014, 3 January 2021 and 23 December 2024.

Charitable status

The trust is a Registered Scottish Charity. The trustees must ensure the circumstances and operations of the trust continue to meet the charity test and the trustees are required to comply with their statutory duty to supply information to the Scottish Charity Regulator, the Office of the Scottish Charity Regulator.

THE CLARK FOUNDATION FOR LEGAL EDUCATION
Report of the Trustees
For the year ended 31 March 2025

Structure, governance and management (contd)

Trustees

Miss Jean Clark's Deed of Trust dated 5 September 1991 appointed the original trustees. The trustees were: [REDACTED] referred to as the Lay Trustees and The President for the time being of The Law Society of Scotland (or his or her nominee) and The Dean of The Faculty of Advocates (or his or her nominee), referred to as the Ex Officio Trustees.

The Lay Trustees are permitted to appoint additional trustees whether as lay trustees or ex officio trustees and this prerogative is reserved solely to the lay trustees for so long as there shall be a lay trustee in office failing which the ex officio trustees shall be entitled to exercise the power of appointment for the purpose of assuming an additional lay trustee(s) only.

There shall at all times be not less than three or more than six trustees.

In the event of an ex officio trustee appointing a nominee, such nominee shall hold office for a period of three years or until his or her appointment is recalled, but may be re-appointed for a further period of office.

On acceptance of appointment as a trustee, new trustees are fully briefed by the administrators on the aims and operation of the trust. As part of this induction, each trustee is provided with a copy of the trust deed and other essential background information.

Organisation

To assist the trustees in carrying out the objects of the trust a Legal Education Advisory Committee consisting of the following representatives has been appointed. This Committee provides grading of and comments as to the merits of each application.

The Legal Education Advisory Committee during the financial year comprised:

Representative of Faculty of Advocates - [REDACTED]
Representatives of Faculty of Scottish University Law Faculties: Glasgow - [REDACTED]
and Dundee - Professor [REDACTED]
Representative of Law Society of Scotland - [REDACTED]
Representative of Young Scottish Lawyers - [REDACTED]
Honorary Appointment - [REDACTED] (stood down June 2024)

Reference and administrative details

Charity number:
SC018520

Principal address
c/o Lindsays
Caledonian Exchange
19a Canning Street
Edinburgh EH3 8HE

Trustees

[REDACTED] (ex officio nominee of Dean of the Faculty of Advocates/Chair
[REDACTED] (ex officio nominee Law Society of Scotland)
[REDACTED] (Appointed 27 June 2024)

THE CLARK FOUNDATION FOR LEGAL EDUCATION
Report of the Trustees
For the year ended 31 March 2025

Trustees (Contd)

Administrators and solicitors

Lindsays
Caledonian Exchange
19a Canning Street
Edinburgh EH3 8HE

Investment managers

Rathbones incorporating Investec
10 George Street
Edinburgh EH2 2PF

Independent examiner

Steven Smillie CA
Chiene + Tait LLP (Trading as CT)
Chartered Accountants and Independent Examiners
61 Dublin Street
Edinburgh EH3 6NL

Statement of trustees' responsibilities

The trustees are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Law applicable to charities in Scotland requires the trustees to prepare accounts for each financial year which gives a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing the accounts the trustees should follow best practice and:

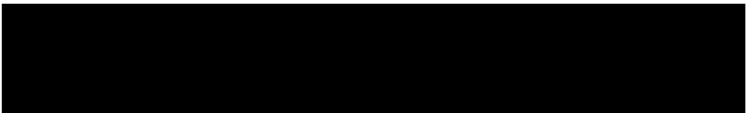
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Foundation will continue in operation.

Trustees are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the accounts, which they are responsible for preparing, comply with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended), and the provisions of the Foundation's constitution.

Trustees are also responsible for safeguarding the assets of the Foundation and hence 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 financial statements may differ from legislation in other jurisdictions.

The foregoing Report and the Accounts annexed was approved by the trustees and signed on their behalf by:

 8/11/25 Date

THE CLARK FOUNDATION FOR LEGAL EDUCATION
Independent Examiner's Report to the Trustees of the Clark Foundation for Legal Education
For the year ended 31 March 2025

I report on the accounts of the charity for the year ended 31 March 2025 which are set out on pages 6 to 13.

This report is made to the trustees, as a body, in accordance with the terms of my engagement. My work has been undertaken to enable me to report my opinion as set out below and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the trustees, as a body, for my work or for this report.

Respective responsibilities of trustees and independent examiner

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 (the Act) and the Charities Accounts (Scotland) Regulations 2006 (as amended) (the Regulations). The charity trustees consider that the audit requirement of Regulation 10(1)(a) to (c) of the Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the Regulations. An examination includes a review of the accounting records kept by the Charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In the course of my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with Section 44(1)(a) of the Act and Regulation 4 of the Regulations, and
 - to prepare accounts which accord with the accounting records and comply with Regulation 8 of the Regulationshave not been met; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.


Chiene + Taft LLP (Trading as CT)
Chartered Accountants and Independent Examiners
61 Dublin Street
Edinburgh EH3 6NL

17 November 2025

THE CLARK FOUNDATION FOR LEGAL EDUCATION
Statement of Financial activities (Including Income and Expenditure Account)
For the year ended 31 March 2025

	Notes	Capital Funds £	Revenue Funds £	Total Funds 2025 £	Total Funds 2024 £
Income and endowments from:					
Charitable activities	4	8.00	-	8.00	8.00
Investments	5	-	85,099.30	85,099.30	87,417.74
Total		<u>8.00</u>	<u>85,099.30</u>	<u>85,107.30</u>	<u>87,425.74</u>
 Expenditure on:					
Raising funds	6	(13,667.04)	-	(13,667.04)	(11,818.72)
Charitable activities	7	(17,080.54)	(97,190.50)	(114,271.04)	(63,849.06)
Total		<u>(30,747.58)</u>	<u>(97,190.50)</u>	<u>(127,938.08)</u>	<u>(75,667.78)</u>
 Net (expenditure)/income before investment gains/(losses)		(30,739.58)	(12,091.20)	(42,830.78)	11,757.96
 Other recognised gains					
Net gains/(losses) on investments	11	30,838.23	-	30,838.23	128,799.84
 Net movement in funds		98.65	(12,091.20)	(11,992.55)	140,557.80
 Reconciliation of funds:					
Total funds brought forward		2,477,487.02	131,929.70	2,609,416.72	2,468,858.92
Total funds carried forward		<u>2,477,585.67</u>	<u>119,838.50</u>	<u>2,597,424.17</u>	<u>2,609,416.72</u>

All funds are unrestricted

All the results relate to continuing activities

The notes on pages 9 to 13 form part of these accounts.

THE CLARK FOUNDATION FOR LEGAL EDUCATION
Balance Sheet
As at 31 March 2025

	Notes	Capital Funds £	Revenue Funds £	Total Funds 2025 £	Total Funds 2024 £
Fixed assets:					
Investments at market value	11	2,568,006.00	-	2,568,006.00	2,600,436.00
Current assets:					
Debtors	13	47.00	9,507.90	9,554.90	10,215.15
Cash at bank and in hand	12	(85,874.17)	116,052.40	30,178.23	30,170.77
Total current assets		<u>(85,827.17)</u>	<u>125,560.30</u>	<u>39,733.13</u>	<u>40,385.92</u>
Current liabilities:					
Creditors: amounts falling due within one year	14	(4,593.16)	(3,883.40)	(8,476.56)	(27,228.40)
Net current assets		<u>(90,420.33)</u>	<u>121,676.90</u>	<u>31,256.57</u>	<u>13,157.52</u>
Total assets less current liabilities		<u>2,477,585.67</u>	<u>121,676.90</u>	<u>2,599,262.57</u>	<u>2,613,593.52</u>
Creditors: amounts falling due after more than one year	14	-	(1,838.40)	(1,838.40)	(4,176.80)
Total net assets		<u>2,477,585.67</u>	<u>119,838.50</u>	<u>2,597,424.17</u>	<u>2,609,416.72</u>
The funds of the charity:					
Unrestricted funds		2,477,585.67	119,838.50	2,597,424.17	2,609,416.72
Total charity funds		<u>2,477,585.67</u>	<u>119,838.50</u>	<u>2,597,424.17</u>	<u>2,609,416.72</u>

Approved by the trustees and signed on their behalf by:



Trustee

8/11/25 Date

The notes on pages 9 to 13 form part of these accounts.

THE CLARK FOUNDATION FOR LEGAL EDUCATION
Statement of Cash Flows
For the year ended 31 March 2025

		Capital Funds £	Revenue Funds £	Total Funds 2025 £	Total Funds 2024 £
Cash flows from operating activities:					
Net Cash used in operating activities	15	(27,624.42)	(120,735.65)	(148,360.07)	(107,410.05)
Cash flows from investing activities:					
Dividends and interest from investments	5	-	85,099.30	85,099.30	87,417.74
Proceeds from sale of investments	11	376,536.28	-	376,536.28	345,986.17
Purchase of investments	11	(313,268.05)	-	(313,268.05)	(337,694.33)
Net cash provided by investing activities		63,268.23	85,099.30	148,367.53	95,709.58
Change in cash and cash equivalents in the year		35,643.81	(35,636.35)	7.46	(11,700.47)
Cash and cash equivalents brought forward		(121,517.98)	151,688.75	30,170.77	41,871.24
Cash and cash equivalents carried forward	12	<u>(85,874.17)</u>	<u>116,052.40</u>	<u>30,178.23</u>	<u>30,170.77</u>
Analysis of changes in net debt					
		At 1 April 2024 £	Cashflows £	Other non-cash changes £	At 31 March 2025 £
Cash and cash equivalents					
Cash		30,170.77	7.46	-	30,178.23

The notes on pages 9 to 13 form part of these accounts.

THE CLARK FOUNDATION FOR LEGAL EDUCATION
Notes to the Accounts
For the year ended 31 March 2025

1 Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The accounts have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Second edition - October 2019), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

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

The trustees consider that there are no material uncertainties about the trust's ability to continue as a going concern. The most significant areas of uncertainty that affect the carrying value of assets held by the trust are the level of investment return and the performance of investment markets.

Funds structure

The foundation has a single unrestricted fund. Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the trustees, at their discretion, have created a fund for a specific purpose.

This unrestricted fund is broken down into two separate components, Capital Funds and Revenue Funds. Capital Funds represent the original expendable endowment from Miss Jean Clark and augmented by royalties received from the sale of books. Revenue Funds represent the investment income generated by the trust portfolio and also donations and legacies received. The trustees have discretion to apply both Capital and Revenue Funds in furtherance of the charitable objects of the trust.

Further fund details are disclosed in Note 16.

Income recognition

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

Donations, are recognised when the trust has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the trust. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the one-year or multi-year grant. Grants awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to that grant is outside of the control of the trustees.

The provision for a multi-year grant is recognised at its present value where settlement is material.

Costs of raising funds

Costs of raising funds include investment management costs.

Charitable activities

Costs of charitable activities include grants made, support costs and governance costs. Governance costs consists of fees of independent examiners and legal agents. Legal agents fees are split between support costs - 75% and governance costs - 25%.

Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

THE CLARK FOUNDATION FOR LEGAL EDUCATION
Notes to the Accounts
For the year ended 31 March 2025

Fixed asset Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The trust does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Financial Instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Debtors

Debtors are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid after taking account of any discounts due.

Creditors

Creditors and provisions are recognised where the trust has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any discounts due.

2 Related party transactions and trustees' expenses and remuneration

The trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2024; nil). During the year a Dinner was held, to which the Trustees attended the total cost of the dinner was £484.34 (2024; £365.70). The Trustees, [REDACTED] knew 2 of the applicants, and withdrew from the discussions regarding the award of the relevant grant. Key management are the trustees listed on page 3.

3 Employee costs

The trust had no employees during the year (2024; nil), and consequently the total staff costs and employee benefits for the reporting period were nil (2024; nil).

No employee received employee benefits of more than £60,000 during the year (2024; nil).

4 Income from charitable activities	Capital £	Revenue £	Total 2025 £	Capital £	Revenue £	Total 2024 £
Royalties from sales of book	8.00	-	8.00	8.00	-	8.00
5 Investment	Capital £	Revenue £	Total 2025 £	Capital £	Revenue £	Total 2024 £
Investment income:						
UK Interest	-	4,613.45	4,613.45	-	4,837.74	4,837.74
UK unit trust interest	-	6,269.16	6,269.16	-	7,608.71	7,608.71
UK dividends	-	34,385.83	34,385.83	-	38,742.87	38,742.87
UK unit trust dividends	-	18,339.49	18,339.49	-	16,840.13	16,840.13
Property income distributions	-	3,365.26	3,365.26	-	3,995.03	3,995.03
Overseas dividends	-	9,847.09	9,847.09	-	10,616.21	10,616.21
Overseas Interest	-	5,460.90	5,460.90	-	4,448.90	4,448.90
Bank Interest	-	1,314.37	1,314.37	-	1,340.28	1,340.28
	-	83,595.55	83,595.55	-	88,429.87	88,429.87
less: Income tax not recoverable	-	-	-	-	-	-
add; accrued income due at year end	-	9,423.90	9,423.90	-	7,920.15	7,920.15
less; previous year's accrued income	-	(7,920.15)	(7,920.15)	-	(8,932.28)	(8,932.28)
	-	85,099.30	85,099.30	-	87,417.74	87,417.74

THE CLARK FOUNDATION FOR LEGAL EDUCATION
Notes to the Accounts
For the year ended 31 March 2025

6 Cost of raising funds

	Capital £	Revenue £	Total 2025 £	Capital £	Revenue £	Total 2024 £
Investment management fees	13,667.04	-	13,667.04	11,818.72	-	11,818.72

7 Cost of charitable activities

	Capital £	Revenue £	Total 2025 £	Capital £	Revenue £	Total 2024 £
Grants	8 -	67,978.00	67,978.00	-	32,547.97	32,547.97
Support costs	9 11,025.00	23,992.50	35,017.50	7,875.00	14,455.19	22,330.19
Governance costs	10 6,055.54	5,220.00	11,275.54	4,833.90	4,137.00	8,970.90
	17,080.54	97,190.50	114,271.04	12,708.90	51,140.16	63,849.06

8 Grants awarded

	2025 £	2024 £
Single and multi year awards to 23 individuals (2024: 19)	58,140.00	37,351.00
Awards to individuals cancelled or repaid	-	(8,303.00)
Law Society - Law Scot Foundation	-	2,500.00
Mini Trials Initiative	9,838.00	1,000.00
	67,978.00	32,548.00

9 Support costs:

	Capital £	Revenue £	Total 2025 £	Capital £	Revenue £	Total 2024 £
Legal Fees (inc VAT)	11,025.00	11,025.00	22,050.00	7,875.00	7,875.00	15,750.00
Miscellaneous expenses	-	12,967.50	12,967.50	-	6,580.19	6,580.19
	11,025.00	23,992.50	35,017.50	7,875.00	14,455.19	22,330.19

10 Governance costs

	Capital £	Revenue £	Total 2025 £	Capital £	Revenue £	Total 2024 £
Legal fees (inc VAT)	3,675.00	3,675.00	7,350.00	2,625.00	2,625.00	5,250.00
Independent examination fee (inc VAT)	1,545.00	1,545.00	3,090.00	1,512.00	1,512.00	3,024.00
Miscellaneous expenses	835.54	-	835.54	696.90	-	696.90
	6,055.54	5,220.00	11,275.54	4,833.90	4,137.00	8,970.90

THE CLARK FOUNDATION FOR LEGAL EDUCATION
Notes to the Accounts
For the year ended 31 March 2025

11 Investments

	Capital £	Revenue £	Total 2025 £	Capital £	Revenue £	Total 2024 £
Market value at 31/03/24	2,600,436.00	-	2,600,436.00	2,479,928.00	-	2,479,928.00
Additions at cost	313,268.05	-	313,268.05	337,694.33	-	337,694.33
Disposals	(376,536.28)	-	(376,536.28)	(345,986.17)	-	(345,986.17)
Realised (losses)/gains on disposals	16,601.17	-	16,601.17	(4,264.92)	-	(4,264.92)
Unrealised gains/(losses) on revaluation	14,237.06	-	14,237.06	133,064.76	-	133,064.76
Market value at 31/03/25	<u>2,568,006.00</u>	-	<u>2,568,006.00</u>	<u>2,600,436.00</u>	-	<u>2,600,436.00</u>

Represented by:

Fixed interest securities	149,575.00	216,337.00
Equity based securities	<u>2,418,431.00</u>	<u>2,384,099.00</u>
	<u>2,568,006.00</u>	<u>2,600,436.00</u>
Historic cost of investments	<u>2,043,922.00</u>	<u>2,046,079.00</u>

The significance of financial instruments to the ongoing financial sustainability of the trust is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report.

The trustees have appointed Rathbones to manage the trust investment portfolio and manage the underlying risks associated with the portfolio. For an investment portfolio, risk is generally viewed as the likely volatility of the capital value based on the historic volatility exhibited by the constituent assets. Rathbones do not apply the statistical measures of risk calibration as they feel strongly that these models are considerably less reliable in times of high market volatility and there is no substitute for experience and common sense. There is no such thing as a risk-free investment - even cash is subject to the effects of inflation. Diversification and active tactical asset allocation are therefore Rathbones main tools for reducing risk although the approach is carried through to sector and stock exposure as well. Whilst not immune from downturns in markets, this approach has added protection to client portfolios without using the more esoteric and expensive portfolio insurance techniques that largely proved ineffective during the market turmoil experienced in 2008/09.

Whilst Rathbones do not believe in relying on quantitative tools such as "black boxes" for measuring portfolio risk, they have a number of internal checks including a centrally run suitability monitoring system, overseen by an independent team. The automated system monitors the portfolio on a weekly basis to check that it is being invested in accordance with the underlying objectives and risk capacity, and also that the composition of the investments reflects the house view. In addition, it considers areas such as overall asset allocation, portfolio concentration and positioning relative to any ranges agreed.

Seeking to generate returns above the interest available on cash will inevitably involve taking a degree of risk. There will be a chance that a portfolio may suffer a fall in value, albeit history suggests that this should be temporary for a long term investor. Other risks should also be borne in mind, most notably the problem with being too cautious. Over time inflation can erode the real value of assets if insufficient returns are generated.

As a UK based charity with sterling liabilities the portfolio has always been predominantly invested in sterling assets. A modest degree of international exposure has been maintained to provide additional diversification and to gain exposure to attractive investment opportunities not available in the UK. In addition, overseas markets tend to generate a lower income yield than the UK market and this, combined with the potential asset/liability mismatch that may have arisen from a more significant non-sterling exposure, has led to a more modest international equity exposure than might otherwise have been the case. In recent years the allocation to overseas equities has increased as the Trustees have sought to generate returns from both income and capital (a "total return" focus) rather than maintaining more of an income bias as was the case historically.

The fixed interest component of the portfolio is relatively modest at approximately 9.6%. In view of the long term nature of the portfolio and the objective to grow both income and capital over the longer term the portfolio is substantially invested in equities. The primary means of mitigating the default risk on the fixed interest securities within the portfolio is through diversification. The fixed interest allocation is through both directly held UK government bonds ("gilts") and collective investment vehicles, each of which itself is very well diversified in terms of the underlying default risk.

Liquidity risk has been more prevalent since the financial crisis post the Lehman Brothers collapse. Many investors found during this time that there were restrictions or "lock ups" placed on funds they had previously believed would be freely tradable. The primary reason for this however was that the underlying assets in which these funds were invested were themselves quite illiquid such as direct property and hedge funds with lengthy redemption periods. There are no such investments within the portfolio. There are four property fund holdings however these are fully quoted investments and can be freely traded in the market in the same way as other quoted securities. All of the portfolio's direct investments are listed on the London Stock Exchange and are both highly liquid and freely tradable. All direct stocks held are in the FTSE 350 Index of the largest companies in the UK, with the majority of these actually within the FTSE 100. All of the collective investments held within the portfolio invest in very liquid underlying securities and all are either quoted entities (and are therefore tradable in the same way as the directly held shares) or offer either daily liquidity at net asset value.

The portfolio is well diversified with no individual investment representing more than 5% of the portfolio - this is a US equity fund which currently accounts for 5.6% of the portfolio and which itself is well diversified with over 50 underlying direct equity holdings. The portfolio is not immune from short term volatility and swings of sentiment in the equity market, however this would be expected to iron itself out over the longer term.

THE CLARK FOUNDATION FOR LEGAL EDUCATION
Notes to the Accounts
For the year ended 31 March 2025

12 Bank balances

	Capital £	Revenue £	Total 2025 £	Capital £	Revenue £	Total 2024 £
Rathbones	7,301.68	8,526.44	15,828.12	4,358.90	10,919.02	15,277.92
Lindsays	(93,175.85)	107,525.96	14,350.11	(125,876.88)	140,769.73	14,892.85
	<u>(85,874.17)</u>	<u>116,052.40</u>	<u>30,178.23</u>	<u>(121,517.98)</u>	<u>151,688.75</u>	<u>30,170.77</u>

13 Debtors

	Capital £	Revenue £	Total 2025 £	Capital £	Revenue £	Total 2024 £
Accrued income	-	9,423.90	9,423.90	-	7,920.15	7,920.15
Sundry Debtor - Lindsays	-	84.00	84.00	-	2,256.00	2,256.00
Royalties due	47.00	-	47.00	39.00	-	39.00
	<u>47.00</u>	<u>9,507.90</u>	<u>9,554.90</u>	<u>39.00</u>	<u>10,176.15</u>	<u>10,215.15</u>

14 Creditors

	Capital £	Revenue £	Total 2025 £	Capital £	Revenue £	Total 2024 £
Creditors under one year:						
CT	1,545.00	1,545.00	3,090.00	1,470.00	1,470.00	2,940.00
Management fee	3,048.16	-	3,048.16	-	-	-
Grants payable	-	2,338.40	2,338.40	-	24,288.40	24,288.40
	<u>4,593.16</u>	<u>3,883.40</u>	<u>8,476.56</u>	<u>1,470.00</u>	<u>25,758.40</u>	<u>27,228.40</u>
Creditors over one year:						
Grants payable	-	1,838.40	1,838.40	-	4,176.80	4,176.80
	<u>4,593.16</u>	<u>5,721.80</u>	<u>10,314.96</u>	<u>1,470.00</u>	<u>29,935.20</u>	<u>31,405.20</u>

15 Reconciliation of net expenditure to net cash flow from operating activities

	Capital £	Revenue £	Total 2025 £	Capital £	Revenue £	Total 2024 £
Net movement in funds	98.65	(12,091.20)	(11,992.55)	104,280.22	36,277.58	140,557.80
(Gains)/losses on Investments	(30,838.23)	-	(30,838.23)	(128,799.84)	-	(128,799.84)
Dividends and interest from Investments	-	(85,099.30)	(85,099.30)	-	(87,417.74)	(87,417.74)
Decrease/(Increase) in debtors	(8.00)	668.25	660.25	(8.00)	(1,243.87)	(1,251.87)
(Decrease)/Increase in creditors	3,123.16	(24,213.40)	(21,090.24)	120.00	(30,618.40)	(30,498.40)
Net cash used in operating activities	<u>(27,624.42)</u>	<u>(120,735.65)</u>	<u>(148,360.07)</u>	<u>(24,407.62)</u>	<u>(83,002.43)</u>	<u>(107,410.05)</u>

16 Analysis of charitable funds

	Capital £	Revenue £	Total 2025 £	Capital £	Revenue £	Total 2024 £
Balance at 31 March 2024	2,477,487.02	131,929.70	2,609,416.72	2,373,206.80	95,652.12	2,468,858.92
Income	8.00	85,099.30	85,107.30	8.00	87,417.74	87,425.74
Expenditure	(30,747.58)	(97,190.50)	(127,938.08)	(24,527.62)	(51,140.16)	(75,667.78)
Gains/(losses) on Investments	30,838.23	-	30,838.23	128,799.84	-	128,799.84
Balance at 31 March 2025	<u>2,477,585.67</u>	<u>119,838.50</u>	<u>2,597,424.17</u>	<u>2,477,487.02</u>	<u>131,929.70</u>	<u>2,609,416.72</u>