

THE LAW SOCIETY OF IRELAND

STATEMENT OF RESPONSIBILITIES OF THE FINANCE COMMITTEE

The Finance Committee is required to prepare financial statements for each financial year. The Finance Committee has elected to prepare the financial statements in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland ("relevant financial reporting framework"). The Finance Committee must not approve the financial statements unless it is satisfied that they give a true and fair view of the assets, liabilities and financial position of the Group and the Society as at the financial year end date, and of the Group's surplus or deficit for the financial year.

In preparing these financial statements, the Finance Committee is required to:

- Select suitable accounting policies for the Group and the Society's financial statements and then apply them consistently,
- Make judgements and estimates that are reasonable and prudent,
- State whether the financial statements have been prepared in accordance with the applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Society will continue in operation.

The Finance Committee is responsible for ensuring that the Group and the Society keeps or causes to be kept adequate accounting records that correctly explain and record the transactions of the Group and the Society; enable at any time the assets, liabilities, financial position and surplus of the Society to be determined with reasonable accuracy; and enable the financial statements to be audited. It is also responsible for safeguarding the assets of the Society and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Finance Committee is responsible for the maintenance and integrity of the financial information included on the Society's website.

Independent auditor’s report to the members of the Law Society of Ireland

Opinion on the financial statements of the Law Society of Ireland

In our opinion, the Group and Society’s financial statements:

- Give a true and fair view of the assets, liabilities and financial position of the Group and Society as at 31 December 2022, and of the surplus of the Group and the Society for the year then ended, and
- Have been prepared in accordance with the applicable financial reporting framework.

The financial statements we have audited comprise:

The Group financial statements:

- The Consolidated Statement of Comprehensive Income and Retained Earnings,
- The Consolidated Balance Sheet,
- The Consolidated Statement of Cash Flows, and
- The related notes 1 to 25, including a summary of significant accounting policies, as set out in note 1.

The Society financial statements:

- The Society Balance Sheet, and
- The related notes 1 to 25, including a summary of significant accounting policies, as set out in note 1.

The relevant financial reporting framework that has been applied in the preparation of the Group and Society financial statements is FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland, issued by the Financial Reporting Council (“the relevant financial reporting framework”).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) [ISAs (Ireland)]. Our responsibilities under those standards are described below in the ‘Auditor’s responsibilities for the audit of the financial statements’ section of our report.

We are independent of the Group and the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Finance Committee’s use of the going-concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Society’s ability to continue as a going concern for a period of at least 12 months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Finance Committee with respect to going concern are described in the relevant sections of this report.

Other information

The Finance Committee is responsible for the other information. The other information comprises the information included in the Reports and Consolidated Financial Statements, other than the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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Independent auditor's report to the members of the Law Society of Ireland

Other information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Finance Committee

As explained more fully in the Statement of Responsibilities of the Finance Committee, the Finance Committee is responsible for the preparation of the financial statements that give a true and fair view, and for such internal control as the Finance Committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Finance Committee is responsible for assessing the Group and Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going-concern basis of accounting.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Finance Committee.
- Conclude on the appropriateness of the Finance Committee's use of the going-concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Society (or where relevant, the Group) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the group to express an opinion on the (consolidated) financial statements. The group auditor is responsible for the direction, supervision and performance of the group audit. The group auditor remains solely responsible for the audit opinion.

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Independent auditor's report to the members of the Law Society of Ireland

Auditor's responsibilities for the audit of the financial statements (continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

Our report is made solely to the Society's members, as a body. Our audit work has been undertaken so that we might state to the Society'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 Society, and the Society's members as a body, for our audit work, for this report, or for the opinions we have formed.



Stewart Dunne
For and on behalf of
BDO
Dublin
Statutory Audit Firm
AI223876

Date: 15 June 2023

THE LAW SOCIETY OF IRELAND

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND RETAINED EARNINGS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

	<i>Notes</i>	2022 €	2021 €
INCOME			
Fees and subscriptions	4	18,384,972	16,463,763
Education activities	5	12,178,248	12,129,706
Advertising	4	662,930	645,627
Four Courts' rooms	4	719,411	179,272
Interest income	4 & 6	54	3,469
Other income	7	168,020	42,674
Sundry income		38,304	44,960
		32,151,939	29,509,471
EXPENDITURE			
Operating charges:			
- General activities	4	(19,396,217)	(16,480,273)
- Education activities	5	(12,403,404)	(11,352,119)
Other expenditure	7	(454,526)	(479,159)
		(32,254,147)	(28,311,551)
SURPLUS FOR FINANCIAL YEAR BEFORE REVALUATIONS, EXCEPTIONAL ITEMS AND TAXATION		(102,208)	1,197,920
Fair value (loss)/gain arising on revaluation of investments	6	(1,768,921)	1,240,801
Movement on revaluation of development land	8	-	-
Exceptional item – settlement re sale of SMDF	23	-	2,410,526
SURPLUS BEFORE TAXATION	9	(1,871,128)	4,849,247
Taxation	10	(41,280)	(116,517)
SURPLUS AFTER TAXATION	17	(1,912,408)	4,732,730
OTHER COMPREHENSIVE INCOME			
Actuarial gain on defined-pension benefit liability	19	10,263,000	1,197,000
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		8,350,592	5,929,730
Retained earnings at the beginning of the financial year		54,579,547	48,649,817
Retained earnings at the end of the financial year		62,930,139	54,579,547

THE LAW SOCIETY OF IRELAND

**CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2022**


	<i>Notes</i>	2022 €	2021 €
Fixed Assets			
Tangible fixed assets	11	36,461,170	36,910,641
Current Assets			
Investments	12	23,745,035	25,513,956
Stocks	13	87,402	85,778
Debtors	14	2,938,645	2,203,333
Cash at bank and in hand		21,915,267	16,596,127
		48,686,350	44,399,194
Creditors: Amounts falling due within one year	15	(22,944,381)	(18,599,138)
Net Current Assets		25,741,969	25,800,056
PROVISIONS FOR LIABILITIES AND CHARGES	16	-	642,850
NET ASSETS EXCLUDING PENSION SURPLUS/(LIABILITY)		62,203,139	63,353,547
Pension surplus/(liability)	19	727,000	(8,774,000)
NET ASSETS INCLUDING PENSION SURPLUS/(LIABILITY)		62,930,139	54,579,547
ACCUMULATED RESERVES			
Society reserves		40,513,352	42,002,204
Law School reserves		13,194,541	13,268,148
Litigation Fund		1,081,268	871,600
Capital Expenditure Fund		1,683,304	1,780,680
Capital Reserve Fund		3,673,217	2,609,676
LSRA Levy Fund		2,057,457	2,821,239
Pension Reserve Fund		727,000	(8,774,000)
TOTAL	17	62,930,139	54,579,547

The financial statements were approved and authorised for issue by the Finance Committee on 15 June 2023 and signed on its behalf by:

Paul Keane
Chairman of the Finance Committee



Maura Derivan
President of the Law Society of Ireland



THE LAW SOCIETY OF IRELAND

**SOCIETY BALANCE SHEET
AS AT 31 DECEMBER 2022**

	Notes	2022 €	2021 €
Fixed Assets			
Tangible fixed assets	11	16,452,249	16,904,919
Current Assets			
Investments	12	23,745,035	25,513,956
Stocks	13	78,046	75,384
Debtors	14	23,070,095	22,303,928
Cash at bank and in hand		21,644,952	16,326,303
		68,538,129	64,219,571
Creditors: Amounts falling due within one year	15	(23,059,544)	(18,669,345)
Net Current Assets		45,478,285	45,550,226
PROVISIONS FOR LIABILITIES AND CHARGES	16	-	642,850
NET ASSETS EXCLUDING PENSION SURPLUS/(LIABILITY)		61,930,534	63,097,995
Pension surplus/(liability)	19	727,000	(8,774,000)
NET ASSETS INCLUDING PENSION SURPLUS/(LIABILITY)		62,657,534	54,323,995
ACCUMULATED RESERVES			
Society reserves		39,433,692	41,731,539
Law School reserves		13,454,725	13,283,261
Litigation Fund		1,081,268	871,600
Capital Expenditure Fund		1,683,304	1,780,680
Capital Reserve Fund		3,673,217	2,609,676
LSRA Levy Fund		2,057,457	2,821,239
Pension Reserve Fund		727,000	(8,774,000)
TOTAL	17	62,657,534	54,323,995

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THE LAW SOCIETY OF IRELAND

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Notes	2022 €	2021 €
Cash flows from operating activities			
(Loss)/surplus before taxation		(1,871,128)	4,849,247
Depreciation charge		1,421,342	1,612,782
Interest received		(54)	(3,469)
Fair value loss/(gain) on investments		1,768,921	(1,240,801)
(Increase) in stock		(1,624)	(33,365)
(Increase)/decrease in debtors		(556,595)	144,418
Increase/(decrease) in creditors and provisions		5,079,757	(3,844,806)
Income tax paid		(99,545)	(101,418)
Net impact of pension movement		762,000	1,195,000
Gain on disposal of fixed assets		-	(26,158)
Net cash flows from operating activities		6,287,760	2,551,430
Cash flows from investing activities			
Interest receivable	6	54	3,469
Purchase of tangible fixed assets	11	(968,674)	(970,091)
Sale of tangible fixed assets	11	-	26,750
Purchase of investments	12	-	(12,500,000)
Net cash flows from investing activities		(968,620)	(13,439,872)
Net increase/(decrease) in cash and cash equivalents		5,319,140	(10,888,442)
Cash and cash equivalents at beginning of financial year		16,596,127	27,484,569
Cash and cash equivalents at end of financial year		21,915,267	16,596,127

Consolidated Analysis of Net Debt
For the financial year ended 31 December 2022

	At 1 January 2022 €	Cash flows €	At 31 December 2022 €
Cash at bank and in hand	16,596,127	5,319,140	21,915,267
	<u>16,596,127</u>	<u>5,319,140</u>	<u>21,915,267</u>

1. ACCOUNTING POLICIES

Basis of Preparation

The financial statements have been prepared in accordance with the accounting policies set out below.

The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland.

General Information and Basis of Accounting

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The Law Society of Ireland is incorporated by Charter and its principal place of business is Blackhall Place, Dublin 7. The Law Society of Ireland's primary business functions are representation, education and regulation of solicitors in the Republic of Ireland.

The functional currency of the Law Society of Ireland is considered to be euro, because that is the currency of the primary economic environment in which the Society operates.

The consolidated financial statements include the financial statements of the Law Society of Ireland and the financial statements of its subsidiary undertakings, as detailed in note 21.

Basis of Consolidation

The Society consolidates its interests in subsidiary undertakings as detailed in note 21, which make up the financial statements to 31 December 2022.

Going Concern

The Society's forecasts and projections, taking account of reasonable possible changes in performance, show that the Society will be able to operate within the level of its current cash and investment resources. The Finance Committee of the Society has a reasonable expectation that the Society has adequate resources to continue in operational existence for the foreseeable future. Consequently, it continues to adopt the going-concern basis of accounting in preparing the annual financial statements.

Income

Income is recognised in the statement of comprehensive income in the year to which it relates. Course fee income received in advance of course participation is deferred and disclosed as deferred income in the balance sheet.

1. ACCOUNTING POLICIES (CONTINUED)

Tangible Fixed Assets and Depreciation

Development land, which is included in Group tangible fixed assets, is measured at the lower of cost and net realisable value annually, with any change recognised in the Statement of Comprehensive Income and Retained Earnings.

All other fixed assets are stated at cost less accumulated depreciation.

Depreciation is provided on a straight-line basis at the rates shown below, which are estimated to reduce the assets to their residual values of nil by the end of their expected useful lives. Land is not depreciated.

Premises	:	2% per annum
Furniture, fittings, and equipment	:	20% per annum
Leasehold improvements	:	20% per annum
IT equipment	:	20% per annum
Motor vehicles	:	25% per annum
Land	:	No depreciation

Financial Instruments

Financial assets and financial liabilities are recognised when the Society becomes a party to the contractual provisions of the instrument. Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified at fair value through the Statement of Comprehensive Income and Retained Earnings, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when, there exists a legally enforceable right to set off the recognised amounts and the Society intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when (a) the contractual rights to the cash flows from the financial asset expire or are settled, (b) the Society transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or (c) the Society, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled, or expires.

(i) Investments

Investments are measured at fair value with changes in fair value recognised through the Statement of Comprehensive Income and Retained Earnings. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

1. ACCOUNTING POLICIES (CONTINUED)

Financial Instruments (continued)

(ii) Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

Publications

Costs relating to the purchase or creation of publications, including books, electronic information, and library additions are written off in the year in which they are incurred.

Retirement Benefits

For defined-benefit schemes, the amounts charged to the Consolidated Statement of Comprehensive Income and Retained Earnings are the costs arising from employee services rendered during the period and the cost of plan introductions, benefit changes, settlements and curtailments. They are included as part of staff costs. The net interest cost on the net defined liability is charged to the Consolidated Statement of Comprehensive Income and Retained Earnings. Re-measurement comprising actuarial gains and losses and the return on scheme (excluding amounts included in net interest on the net defined-benefit liability) are recognised immediately in other comprehensive income.

A defined-benefit scheme is funded, with the assets of the scheme held separately from those of the Society, in separate trustee-administered funds. Pension-scheme assets are measured at fair value, and liabilities are measured on an actuarial basis using the prospective benefits method. The actuarial valuations are obtained at least triennially and are updated at each balance-sheet date.

For the defined contribution scheme, the amount charged to the Consolidated Statement of Comprehensive Income and Retained Earnings in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Exceptional items

Income and expenditure not received or incurred in the normal course of the Society's business are charged to the Consolidated Statement of Comprehensive Income and Retained Earnings as exceptional items. Non-operational liabilities assumed by the Society during the year are also charged as exceptional items. Where there is an asset to match such a liability, in whole or in part, the net amount is charged to the Consolidated Statement of Comprehensive Income and Retained Earnings.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance-sheet date.

The Society is chargeable to taxation on bank and other interest, investment gains, and on net surpluses arising from certain activities, such as publishing and courses, to the extent that they relate to transactions with non-members.

1. ACCOUNTING POLICIES (CONTINUED)

Taxation (continued)

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance-sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance-sheet date. Timing differences are differences arising between the Society's taxable profits and its results as stated in the financial statements, and the gains and losses calculated in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as, more likely than not, that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell, which is equivalent to the net realisable value. Cost includes all expenditure that has been incurred in the normal course of business in bringing them to their present location and condition.

Grants

Revenue-based grants are credited to the Consolidated Statement of Comprehensive Income and Retained Earnings in the period in which the grant is receivable to match income and expenditure.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Law Society of Ireland's accounting policies, which are described in note 1, the Finance Committee members are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and estimates that the Finance Committee has made in the process of applying the Society's accounting policies:

Defined Benefit Pension Scheme

The Society has a defined-benefit pension scheme in operation for staff who joined the scheme prior to 30 September 2009. There are estimates with respect to certain key assumptions made in calculating the actuarial liability relating to the scheme, including the discount rate, inflation, and mortality rates, as disclosed in note 19 to the financial statements.

Development Land

The valuation of development land is based on the outcome of the related calculations of the land's net realisable value. These calculations are based on assumptions relating to future market developments, interest rates, and future cost and price increases. The Group uses external valuations to determine the net realisable value.

THE LAW SOCIETY OF IRELAND

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

3. STAFF COSTS	2022 General activities €	2022 Education activities €	2022 Other €	2022 Total €	2021 Total €
Salaries and wages	6,629,117	4,546,440	55,048	11,230,605	10,687,581
PRSI	723,443	505,690	6089	1,125,222	1,166,694
Pension costs	1,031,840	686,191	7,158	1,725,190	2,167,366
Total	<u>7,851,001</u>	<u>5,509,721</u>	<u>68,295</u>	<u>13,429,017</u>	<u>14,021,641</u>

The average aggregate number of employees during 2022 was 152 (2021: 147).

KEY MANAGEMENT REMUNERATION

The total remuneration for key management personnel, who consist of 8 Directors and 9 Section Heads/Managers, for the financial year totalled €3,015,794 (2021: €2,456,380). This amount includes both the President's Subvention, as approved by Council, of €127,500 (2021: €124,500) and the cost of the Society's Open Door Programme, which included a number of early retirements. Remuneration includes salary, social security costs and pension costs.

4. GENERAL ACTIVITIES (including funds)	2022 €	2021 €
INCOME		
Fees and subscriptions		
Practising certificates	12,155,575	11,593,320
Members' subscriptions	985,645	962,578
Admission fees	154,500	241,563
Fund Contributions:		
- LSRA Fund	3,366,548	2,526,164
- Litigation Fund	656,522	271,138
- Capital Expenditure Fund	2,641	-
- Capital Reserve Fund	1,063,541	869,000
	<u>18,384,972</u>	<u>16,463,763</u>
Services and interest		
Advertising	662,930	645,627
Four Courts' rooms	719,411	179,272
Interest (note 6)	54	3,469
Total income	<u>19,767,367</u>	<u>17,292,131</u>

THE LAW SOCIETY OF IRELAND

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

4. GENERAL ACTIVITIES (including funds) (continued)	2022 €	2021 €
OPERATING CHARGES		
General activities		
Pay and related expenditure	3,464,345	3,424,278
Administration expenditure	1,309,170	1,167,040
Premises expenditure	883,913	648,221
Representation expenditure	4,869,960	3,921,799
Regulation expenditure	7,699,752	6,696,546
Admission expenditure	21,398	3,836
Services		
Advertising	866,385	813,125
Four Courts' rooms	281,294	154,622
Total operating charges	19,396,217	16,829,467
Surplus	371,150	462,664
5. EDUCATION ACTIVITIES		
	2022 €	2021 €
INCOME		
Professional Practice Course 1 fees	1,023,147	4,376,023
Professional Practice Course 2 fees	1,915,675	2,112,405
Course fees Hybrid PPC	1,126,795	-
Course fees Combined PPC	2,869,300	-
Indentures and registration	471,240	464,595
Examination fees	906,731	993,703
Diploma courses	2,609,406	3,046,027
Continuing professional development	456,422	445,266
Miscellaneous income	799,531	691,687
Total income	12,178,249	12,129,706
OPERATING CHARGES		
Pay and related expenditure	6,116,751	5,901,523
Administration expenditure	2,469,062	2,172,489
Direct expenditure	3,092,250	2,691,400
Premises expenditure	725,341	586,707
Total operating charges	12,403,404	11,352,119
Surplus/deficit	(225,156)	777,587

THE LAW SOCIETY OF IRELAND

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

6. INTEREST AND INVESTMENT GAINS/(LOSSES)	2022	2021
	€	€
Interest – Society (note 4)	54	3,469
Fair Value (loss)/gain arising on revaluation of investments	(1,768,921)	1,240,801
	(1,768,867)	1,244,270
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7. OTHER INCOME/EXPENDITURE	2022	2021
	€	€
Income		
Bar and catering income	44,155	3,208
Bed-and-breakfast income	54,548	6,364
Functions and consultation room income	31,925	325
Rental income	37,392	32,777
	168,020	42,674
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Expenditure		
Bar and catering cost of sales	332,962	48,660
Bed-and-breakfast cost of sales	23,572	1,489
Premises expenditure	8,352	454
Professional fees	12,436	67,840
Other administration expenditure	77,203	11,522
	454,526	129,965
<hr/>		
Deficit	(286,505)	(87,291)
<hr/>		
8. REVALUATION OF DEVELOPMENT LAND		
The development land, included in tangible fixed assets, was valued at €20,000,000 by qualified external valuers Mason Owen & Lyons on a fair value basis at 31 December 2022.		
9. SURPLUS BEFORE TAXATION	2022	2021
	€	€
The surplus before taxation is stated after charging:		
- Depreciation	1,421,342	1,612,782
- Auditor’s remuneration	30,950	28,500
	<hr/>	<hr/>
and after crediting:		
- Deposit interest	54	3,469
	<hr/>	<hr/>
All income recognised arose in the Republic of Ireland.		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

10. TAXATION	2022	2021
	€	€
Based on the surplus for the financial year:		
Taxation charge	41,280	110,053
Prior financial year under provision	-	6,464
	<u>41,280</u>	<u>116,517</u>

The effective tax rate for the financial year is lower than the standard rate of corporation tax in Ireland, which is 12.5%. The differences are explained below:

	2022	2021
	€	€
(Loss) / Surplus before taxation	<u>(1,871,128)</u>	<u>4,849,247</u>
(Loss) / Surplus for financial year multiplied by standard rate of corporation tax of 12.5%	(233,891)	606,156
Effects of:		
Net income and expenditure not subject to taxation	(157,118)	(970,189)
Depreciation in excess of capital allowances	422,371	468,765
Higher tax rates on interest and rental income	9,918	5,321
Retention tax paid	-	-
Prior year under provision	-	6,464
Total tax charge for period	<u>41,280</u>	<u>116,517</u>

The Society is chargeable to taxation on bank and other interest, gains, and on net surpluses arising from certain activities, such as publishing, courses, and property rental, to the extent that they relate to transactions with non-members.

THE LAW SOCIETY OF IRELAND

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

11. TANGIBLE FIXED ASSETS							
Group	Premises €	Development Land €	Leasehold Improvements €	Furniture, Fittings & Equipment €	IT Equipment €	Motor Vehicles €	Total €
Cost/Valuation:							
At 1 January 2022	22,515,765	20,000,000	2,044,890	6,337,554	8,523,759	72,375	59,494,343
Additions	104,221	-	-	387,289	482,277	-	974,787
Less Disposal	-	-	-	-	-	-	-
At 31 December 2022	22,619,986	20,000,000	2,044,890	6,725,843	9,006,036	72,375	60,469,130
Depreciation:							
At 1 January 2022	7,856,091	-	2,038,596	5,938,321	6,678,319	72,375	22,583,702
Charge for financial year	450,641	-	3,246	215,441	754,930	-	1,424,258
Less depreciation on disposals	-	-	-	-	-	-	-
At 31 December 2022	8,306,732	-	2,041,842	6,153,762	7,433,249	72,375	24,007,960
Net book value:							
At 31 December 2022	14,313,254	20,000,000	3,048	572,081	1,572,787	-	36,461,170
At 31 December 2021	14,659,674	20,000,000	6,294	399,233	1,845,440	-	36,910,641

The development land was valued at €20,000,000 by qualified external valuers Mason Owen & Lyons on a fair value basis at 31 December 2022. The original cost of the development land when purchased in 2005 was €21,718,981.

THE LAW SOCIETY OF IRELAND

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

11. TANGIBLE FIXED ASSETS (CONTINUED)		Society							
	Premises €	Leasehold Improvements €	Furniture, Fittings & Equipment €	IT Equipment €	Motor Vehicles €	Total €			
Cost:									
At 1 January 2022	22,515,765	2,044,890	6,025,519	8,523,759	72,375	39,182,308			
Additions	104,221	-	382,175	482,277	-	968,673			
Less disposals	-	-	-	-	-	-			
At 31 December 2022	22,619,986	2,044,890	6,407,694	9,006,036	72,375	40,150,981			
Depreciation:									
At 1 January 2022	7,856,091	2,038,596	5,632,008	6,678,319	72,375	22,277,389			
Charge for financial year	450,641	3,246	212,525	754,930	-	1,421,342			
Less depreciation on disposals	-	-	-	-	-	-			
At 31 December 2022	8,306,732	2,041,842	5,844,533	7,433,250	72,375	23,698,732			
Net book value:									
At 31 December 2022	14,313,254	3,048	563,161	1,572,787	-	16,452,249			
At 31 December 2021	14,659,674	6,294	393,511	1,845,440	-	16,904,919			

Group and Society

Total assets under construction that have not been depreciated in the financial year:
Premises: €25,312 (2021: €25,312)

11. TANGIBLE FIXED ASSETS (CONTINUED)

Group and Society

Included in the above are assets relating to education activities:

	Cost €	Accumulated Depreciation €	Net Book Value €
Premises	10,347,010	3,175,839	7,171,171
Furniture, fittings, and equipment	3,343,343	3,156,274	187,068
IT equipment	3,565,998	3,101,492	464,506
	<u>17,256,351</u>	<u>9,433,606</u>	<u>7,822,745</u>

12. INVESTMENTS

Group and Society

	2022 €	2021 €
Balance at 1 January	25,513,956	12,066,555
Additions	-	12,500,000
Deemed disposal tax	-	(293,400)
Fair value (loss)/gain	(1,768,922)	1,240,801
Balance at 31 December	<u>23,745,034</u>	<u>25,513,956</u>

The investments are comprised of the following:

- (a) Multi-Asset Conservative Growth Fund ('MACGF')
- (b) Davy Defensive Growth Fund ('DDGF')
- (c) Davy Passive Growth Fund ('DPGF')
- (d) Nordea Bond Funds ('NBF')
- (e) SRI (ESG) Global Funds ('ESGGF')

The Policy MACFG, DDGF, DPGF, NBF & ESGGF have a low-risk profile.

The equity investment by the Society in subsidiary undertakings is carried at €Nil (2020: €Nil).

THE LAW SOCIETY OF IRELAND

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

13. STOCKS	2022	2021
	€	€
Group		
Stock in trade	87,402	85,778
	<u> </u>	<u> </u>
Society		
Stock in trade	78,046	75,384
	<u> </u>	<u> </u>

The replacement cost of stock is not significantly different from the above stated cost.

14. DEBTORS	2022	2021
	€	€
Group		
Amounts falling due within one year:		
Debtors and prepayments	2,912,624	2,192,772
Amounts due from Law Society of Ireland Scholarship Fund	26,021	10,561
	<u> </u>	<u> </u>
	2,938,645	2,203,333
	<u> </u>	<u> </u>
Society		
Amounts falling due within one year:		
Debtors and prepayments	2,855,813	2,192,772
Amounts due from Law Society of Ireland Scholarship Fund	26,021	10,561
Amounts due from subsidiary undertakings:		
- Benburb Street Property Company Limited	20,142,260	20,100,595
- Blackhall Technologies Limited	46,001	-
	<u> </u>	<u> </u>
	23,070,095	22,303,928
	<u> </u>	<u> </u>

THE LAW SOCIETY OF IRELAND

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

15. CREDITORS	2022	2021
	€	€
Group		
Amounts falling due within one year		
Creditors and accruals	9,635,631	6,895,511
Amounts due to Law Society Compensation Fund	9,068,630	8,478,590
Deferred income*	3,437,630	2,454,533
PAYE/PRSI	698,448	690,227
VAT	62,762	67,086
Income tax	41,280	13,191
	22,944,381	18,599,138
Society		
Amounts falling due within one year		
Creditors and accruals	9,695,934	6,821,124
Amounts due to Law Society Compensation Fund	9,068,630	8,478,590
Amounts due to subsidiary undertakings:		
- The Law Club of Ireland	29,500	122,463
Deferred income*	3,437,198	2,454,533
PAYE/PRSI	698,448	690,227
VAT	88,554	89,217
Income tax	41,280	13,191
	23,059,544	18,669,345

* Deferred income represents fees for the 2023 financial year received in the financial year to 31 December 2022

16. PROVISIONS FOR LIABILITIES AND CHARGES	2022	2021
	€	€
Group and Society		
Provision for settlement of SMDF liability		
Opening balance	(624,850)	1,801,000
Final settlement	624,850	(2,425,850)
Closing balance	-	(642,850)

THE LAW SOCIETY OF IRELAND

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

17. ACCUMULATED RESERVES

Group	ACCUMULATED RESERVES									
	Total €	Society accumulated reserves €	Law School accumulated reserves €	Litigation Fund €	Capital Expenditure Fund €	Capital Reserve Fund €	Pension Reserve Fund €	LSRA Levy Fund €		
Balance at 1/1/2022	54,579,547	42,002,204	13,268,148	871,600	1,780,680	2,609,676	(8,774,000)	2,821,239		
Surplus/(loss) for year	8,350,592	(2,035,723)	(73,607)	656,522	2,641	1,063,540	9,501,000	(763,781)		
Transfers	-	546,871	-	(446,853)	(100,017)	-	-	-		
Balance at 31/12/2022	62,930,139	40,513,352	13,194,541	1,081,269	1,683,304	3,673,216	727,000	2,057,458		
Society										
	Total €	Society Accumulated Reserves €	Law School Accumulated Reserves €	Litigation Fund €	Capital Expenditure Fund €	Capital Reserve Fund €	Pension Reserve Fund €	LSRA Levy Fund €		
Balance at 1/1/2022	54,323,995	41,731,539	13,283,261	871,600	1,780,680	2,609,676	(8,774,000)	2,821,239		
Surplus/(loss) for year	8,333,539	(2,304,158)	171,464	656,522	2,641	1,063,540	9,501,000	(763,781)		
Transfers	-	546,871	-	(446,853)	(100,017)	-	-	-		
Balance at 31/12/2022	62,657,734	39,974,252	13,454,725	1,081,269	1,683,304	3,673,216	727,000	2,057,458		

Group and Society

The Finance Committee established the above funds to make prudent allocation of reserves for anticipated expenditure in these areas. On an annual basis, monies from fees and subscriptions income and interest income are allocated to these funds. Transfers between the funds represent internal transfers for projects and other income and expenditure identified by the Finance Committee as being more appropriate to particular funds or reserves.

THE LAW SOCIETY OF IRELAND

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

17. ACCUMULATED RESERVES (CONTINUED)
Reconciliation of surplus per consolidated statement of comprehensive income to surplus for the year per accumulated reserves:

	Total €	General Activities €	Education Activities €	Litigation Fund €	Capital Expenditure Fund €	Capital Reserve Fund €	Pension Reserve Fund €	LSRA Levy Fund €	Other €
Surplus before tax & exceptional items (Note 4 & 5)	188,938	414,094	(225,156)	-	-	-	-	-	-
Deficit before tax (Note 7)	(286,505)	-	-	-	-	-	-	-	(286,505)
Sundry income	38,304	38,304	-	-	-	-	-	-	-
Taxation (Note 10)	(41,280)	(41,280)	-	-	-	-	-	-	-
Investment loss (Note 6)	(1,768,921)	(1,768,921)	-	-	-	-	-	-	-
	(1,912,408)	(1,359,467)	(225,156)	-	-	-	-	-	(286,505)
Surplus after tax	-	-	-	-	-	-	-	-	-
Remeasurement of pension	10,263,000	-	-	-	-	10,263,000	-	-	-
Income allocated to specific fund	-	(5,089,251)	-	656,522	2,641	1,063,540	-	3,366,548	-
Expense allocated to specific fund	-	4,130,329	-	-	-	-	-	(4,130,329)	-
Inter-group trading	-	(209,484)	77,051	-	-	-	-	-	(286,505)
Reallocation of pension costs	-	533,400	228,600	-	-	-	(762,000)	-	-
Impairment on development Land	-	-	-	-	-	-	-	-	-
Total comprehensive income	8,350,591	(1,994,563)	80,495	656,522	2,641	1,063,540	9,501,000	(763,781)	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

18. FINANCIAL INSTRUMENTS

Group

The carrying value of the financial assets and liabilities are summarised by the categories below:

	2022 €	2021 €
Financial Assets		
<i>Measured at fair value through the income statement</i>		
Listed investments (Note 12)	23,745,034	25,513,956
<i>Measured at undiscounted amounts receivable</i>		
Debtors and prepayments (Note 14)	2,912,624	2,192,772
Amounts owed from related undertakings (Note 14)	26,021	10,561
	26,683,679	27,717,289
Financial Liabilities		
<i>Measured at undiscounted amounts payable</i>		
Trade and other payables (Note 15)	9,640,215	6,895,511
Amounts owed from related undertakings (Note 15)	9,068,630	8,478,590
Amount due on sale of SMDF Limited (Note 16)	-	(642,850)
	18,708,845	14,731,251

Society

The carrying value of the financial assets and liabilities are summarised by the categories below:

	2022 €	2021 €
Financial Assets		
<i>Measured at fair value through the income statement</i>		
Listed investments (Note 12)	23,745,034	25,513,956
<i>Measured at undiscounted amounts receivable</i>		
Debtors and prepayments (Note 14)	2,912,624	2,192,772
Amounts owed from subsidiaries (Note 14)	20,188,261	20,100,595
Amounts owed from related undertakings (Note 14)	26,021	10,561
	46,871,940	47,817,884
Financial Liabilities		
<i>Measured at undiscounted amounts payable</i>		
Trade and other payables (Note 15)	9,702,612	6,821,124
Amounts owed to related undertakings (Note 15)	9,068,630	8,478,590
Amounts owed to subsidiaries (Note 15)	29,500	122,463
Amount due on sale of SMDF Limited (Note 16)	-	(642,850)
	18,800,742	14,779,327

19. PENSION COMMITMENTS

The Society operates two pension schemes. A defined-benefit scheme was available to all eligible employees who chose to join before 30 September 2009, at which date the scheme was closed to new entrants. Thereafter, eligible employees could opt to join a hybrid arrangement with the defined-benefit element capped at a salary of €45,500 (2021: €45,500) and the balance being in a defined-contribution scheme.

Defined-contribution scheme

The Society operates a defined-contribution pension scheme for all eligible employees. The total expense charged to the Statement of Comprehensive Income and Retained Earnings in the financial year ended 31 December 2022 was €104,239 (2021: €104,239).

Defined-benefit scheme

The Society operates a defined benefit pension scheme that has been closed to new entrants since 2009. The information set out in this note relates to the defined-benefit pension scheme. The scheme is funded by the payment of contributions to a separately administered trust.

Determination of contributions and funding

The contributions are determined by a qualified actuary on the basis of valuations every three years, using the prospective-benefits method. The most recent valuation was completed as at 31 December 2018. The assumptions that have the most significant effect on the results of the valuation are those relating to the discount rate, the rates of increase in salaries, and the rate of increase in pensions in payment. In preparing that valuation, it was assumed that the discount rate would be 3.75% per annum pre-retirement and 1.75% per annum post-retirement, that future salary increases would average 2.00% per annum, and that pensions in payment would increase at 0.90% per annum on average, *60% of inflation). In effect, this means that the investment return pre-retirement would be 1.75% higher per annum than future salary increases, and the investment return post-retirement would be 0.85% higher per annum than pension increases.

19. PENSION COMMITMENTS (CONTINUED)

The actuarial valuation at 31 December 2018 indicated that the market value of the assets of the scheme was €36,856,000 and that the assets were sufficient to cover 97% of the benefits that had accrued to members, after allowing for expected future increases in pensionable salaries and increases to pensions in payment, which are discretionary. It was recommended that the Society's annual contribution continue at 20% of pensionable salaries in 2021 and this has been paid by the Society. The defined-benefit section has been closed to new entrants since 30 September 2009 and was replaced by a hybrid arrangement with the defined-benefit element capped at a salary of €45,000 (now €45,500).

The Trustees obtain the consent of the Society to, on a discretionary basis, index pensions in payment on an annual basis. Increases are the lesser of the CPI increase or 3% if funding permits. No increases were awarded in 2017, as inflation was marginally positive for the relevant period. As mentioned above, the Society decided to fund for increases equal to 60% of inflation at the most recent valuation and will review this decision at the next actuarial valuation. Members of the Scheme who wish to be considered for this indexation pay a higher contribution rate of 8% of pensionable salary.

The actuary carries out an annual update of the Funding Standard position of the scheme. The scheme met the Funding Standard at 31 December 2022. The next actuarial valuation of the scheme to determine the Society's contribution rate will be carried out as at 31 December 2022.

Requirements

The Society is the sponsoring employer of the scheme and has the legal responsibility for the scheme. The Law Society of Ireland's Compensation Fund also participates in the scheme.

There is no stated policy for charging the net defined-benefit cost of the scheme to either entity, as both entities availed of an exemption under the previous accounting standard, Financial Reporting Standard 17. Under Financial Reporting Standard 102, the Society has decided that it will recognise the entire net defined-benefit cost and the relevant net defined-benefit liability in its financial statements. Pension costs for the defined-benefit scheme are assessed in accordance with the advice of an independent qualified actuary using the projected-unit method. Below are the relevant disclosures, together with the comparative figures for the previous year.

Changes in the present value of the defined-benefit obligation in the year were, as follows:

	2022	2021
	€'000	€'000
Opening defined-benefit obligation	(58,111)	(54,730)
Service cost (including employee contributions)	(2,880)	(2,810)
Interest cost	(862)	(647)
Benefits paid	1,368	1,776
Actuarial (gains)/losses	(18,485)	(1,700)
Closing defined-benefit obligation	41,400	(58,111)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

19. PENSION COMMITMENTS (CONTINUED)

Changes in the fair value of plan assets in the year were, as follows:

	2022 €'000	2021 €'000
Opening fair value of plan assets	49,337	45,954
Contributions (including employee contributions)	1,638	1,711
Benefits paid	(1,368)	(1,776)
Interest income	742	551
Actuarial (gains)/losses	(8,222)	2,897
Closing fair value of plan assets	<u>42,127</u>	<u>49,337</u>

The principal actuarial assumptions at the balance-sheet date:

	2022 %	2021 %
Rate of general increase in salaries	2.5	2.5
Discount rate of scheme liabilities	4.2	1.5
Rate of pension increase	2.4	1.9
Inflation	2.5	2.0
Post retirement mortality		
Current pensioners at 65 – male	22.5	22.6
Current pensioners at 65 – female	24.2	24.5
Future pensioners at 65 – male married	24.2	24.4
Future pensioners at 65 – female married	26.4	26.4
% of pension commuted for cash at retirement	12.5	12.5

The post-retirement mortality assumptions allow for expected increases in longevity. The 'current' disclosures above relate to the assumptions based on longevity (in years) following retirement at the balance-sheet date, with 'future' being that relating to an employee retiring in 2040.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

19. PENSION COMMITMENTS (CONTINUED)

The market value of the scheme's assets at the year end were, as follows:

	At year end 31 December	
	2022	2021
	€'000	€'000
Equities	13,361	15,945
Bonds	25,546	30,097
Cash	13	26
Other	3,207	3,269
	42,127	49,337
	2022	2021
	€'000	€'000
The actual return on plan assets	(7,480)	3,448
The amounts recognised in the balance sheet are as follows:		
Fair value of plan assets	42,127	49,337
Present value of funded obligations	41,400	(58,111)
Surplus/(Deficit) in the scheme	727	(8,774)
The amounts included in the performance statements are as follows:		
	2022	2021
	€'000	€'000
Current service cost	1,852	(2,364)
Past service cost	-	-
Interest income on pension-scheme assets	(724)	551
Interest expense on pension-scheme liabilities	862	(647)
Net interest charge	120	(96)
Actual return less expected return on pension-scheme assets	(8,222)	2,897
Experience losses arising on the scheme's liabilities	(2,169)	(1)
Changes in assumptions underlying the present value of the scheme's liabilities	20,654	(1,699)
Actuarial gain included in Statement of Comprehensive Income	10,263	1,197

19. PENSION COMMITMENTS (CONTINUED)

The movements in the deficit in the scheme during the year arose as follows:

	2022 €'000	2021 €'000
Deficit at beginning of year	(8,774)	(8,776)
Current service cost	(1,852)	(2,364)
Net interest cost	(120)	(96)
Contributions (excluding employees)	1,210	1,265
Actuarial gain	10,263	1,197
Surplus/(Deficit) at end of year	<u>727</u>	<u>(8,774)</u>

History of defined-benefit obligations, assets and experience gains/losses:

	2022 €'000	2021 €'000
Defined-benefit obligation	41,400	(58,111)
Fair value of plan assets	42,127	49,337
Surplus/(Deficit)	<u>727</u>	<u>(8,774)</u>

	2022 €'000	2021 €'000
Difference between the expected and actual return on plan assets:		
Amount €'000	(8,222)	(2,897)

Experience losses on plan liabilities:

Amount €'000	<u>(2,169)</u>	<u>1</u>
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Future contributions:

The Society expects to contribute €1,528,000 to the defined-benefit pension scheme in 2022.

20. RELATED PARTY TRANSACTIONS

Law Society Compensation Fund	2022 €	2021 €
Opening balance at 1 January	(8,478,590)	(8,688,435)
Charges	6,908,171	7,142,795
Receipts	(7,498,210)	(6,932,950)
Closing balance at 31 December	(9,068,630)	(8,478,590)
Law Society of Ireland Scholarship Fund	2022 €	2021 €
Opening balance at 1 January	10,561	21,331
Charges	15,460	40,560
Receipts	-	(51,330)
Closing balance at 31 December	26,021	10,561
Irish Rule of Law International	2022 €	2021 €
Opening balance at 1 January	-	-
Charges	34,000	34,000
Receipts	(34,000)	(34,000)
Closing balance at 31 December	-	-

The related undertakings are controlled by the Law Society of Ireland.

The Law Society, in the normal course of its business, is provided with legal services by solicitor firms, some of whose partners may also be members of the Law Society Council. The legal firms the Society procures services from are typically part of a panel that is selected through a tender process, in line with the Law Society's procurement process.

Transactions with Council Members during 2022 totalled €384,551 (2021: €207,218), which includes the President's Subvention, as approved by Council, of €127,500 (2021: €124,500).

21. SUBSIDIARY AND RELATED UNDERTAKINGS

The Society holds investments in subsidiaries, and controls related undertakings as follows:

Subsidiary undertakings:

- Benburb Street Property Company Limited
- Law Club of Ireland*
- Blackhall Technologies Limited.

*The Law Club of Ireland is considered a subsidiary, as it is controlled by the Law Society of Ireland.

Related undertakings:

- Law Society of Ireland Compensation Fund
- Law Society of Ireland Scholarship Fund
- Irish Rule of Law International.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

22. CAPITAL COMMITMENTS	2022	2021
	€	€
At the end of the year, the following expenditure had been authorised by the Finance Committee:		
Contracted for	100,000	350,843
	<u>100,000</u>	<u>350,843</u>
	<u><u>100,000</u></u>	<u><u>350,843</u></u>

23. CONTINGENT LIABILITIES

The Society is, from time to time, a party to legal proceedings and claims, which arise in the ordinary course of its activities. The Finance Committee is satisfied that there are no additional claims that require provision by the Society at 31 December 2022. Legal costs incurred by the Society to 31 December 2022, in connection with these matters, have been charged to the Statement of Comprehensive Income and Retained Earnings.

24. SUBSEQUENT EVENTS

In early 2023, the Society received an undisclosed sum as a result of an insurance settlement.

25. COMPARATIVE AMOUNTS

The comparative figures have been regrouped on a basis consistent with the current period.