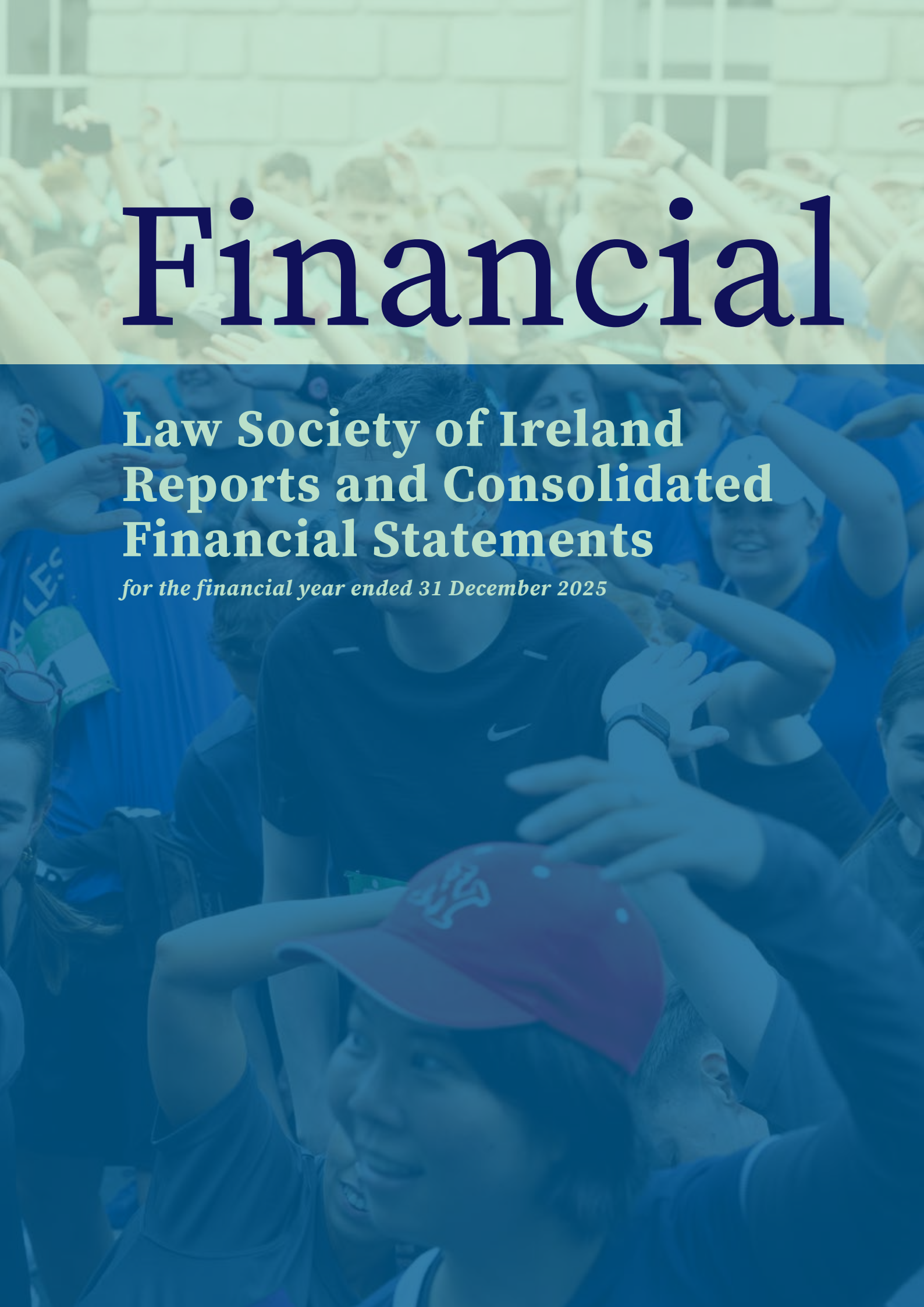




Financial

Law Society of Ireland Reports and Consolidated Financial Statements

for the financial year ended 31 December 2025

The Law Society of Ireland and its Subsidiaries

Council of the Law Society of Ireland' Responsibilities Statement For the year ended 31 December 2025

The Council of the Law Society of Ireland via its established governance framework, comprising of a Finance Committee and an Audit & Risk Committee, is required to prepare financial statements for each financial year.

The Council via its established governance framework 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 Council 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 Law Society as at the financial year end date, and of the Group's surplus or deficit for the financial year.

In preparing each of the group and company financial statements, the Council via its established governance framework is required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with 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 Group will continue in business.

The Council via its established governance framework is responsible for ensuring that the Group keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Group and Law Society, enable at any time the assets, liabilities, financial position and surplus or deficit of the Group to be determined with reasonable accuracy, enable them to ensure that the financial statements and Finance Committees' Report comply with the FRS 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland ("relevant financial reporting framework") and enable the financial statements to be audited.

The Council via its established governance framework are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives. It can provide only reasonable, but not absolute, assurance against material misstatement or loss. It includes financial, operational, compliance and risk management controls. Council has appointed appropriate accounting personnel, including a professionally qualified finance director, to ensure that those requirements are met.

The Council via its established governance framework is responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Law Society of Ireland and its Subsidiaries

Independent Auditors' Report to the Members of The Law Society of Ireland and its Subsidiaries

Report on the audit of the financial statements

Opinion

We have audited the financial statements of The Law Society of Ireland and its subsidiaries ('the Group') for the year ended 31 December 2025, which comprise of the Group Statement of Comprehensive Income, the Group and Law Society Balance Sheets, the Group and Law Society Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish law and Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued in the United Kingdom by the Financial Reporting Council.

In our opinion:

- the Group financial statements give a true and fair view of the assets, liabilities and financial position of the Group as at 31 December 2025 and of its surplus for the year then ended;
- the Law Society Balance Sheet gives a true and fair view of the assets, liabilities and financial position of the Law Society as at 31 December 2025;
- the Group financial statements and Law Society financial statements have been properly prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Law Society in accordance with the ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), 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 Council of the Law Society of Ireland via its established governance framework' 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 Group's or the Law Society's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Council of the Law Society of Ireland via its established governance framework with respect to going concern are described in the relevant sections of this report.

The Law Society of Ireland and its Subsidiaries

Independent Auditors' Report to the Members of The Law Society of Ireland and its Subsidiaries (continued)

Other information

The Council of the Law Society of Ireland via its established governance framework is responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' 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.

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.

Opinion on other matters

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

- the information given in the Council of the Law Society of Ireland via its established governance framework' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Council of the Law Society of Ireland via its established governance framework' report has been prepared in accordance with applicable legal requirements.

We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

In our opinion the accounting records of the Group and Law Society were sufficient to permit the financial statements to be readily and properly audited, and the Group and Law Society Balance Sheet is in agreement with the accounting records.

The Law Society of Ireland and its Subsidiaries

Independent Auditors' Report to the Members of The Law Society of Ireland and its Subsidiaries (continued)

Respective responsibilities and restrictions on use

Responsibilities of The Council of the Law Society of Ireland via its established governance framework

As explained more fully in the Council of the Law Society of Ireland via its established governance framework' responsibilities statement on page 1, the Council of the Law Society of Ireland via its established governance framework is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Council of the Law Society of Ireland via its established governance framework 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 Council of the Law Society of Ireland via its established governance framework is responsible for assessing the Group's and the Law 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 unless the management either intends to liquidate the Group or the Law Society or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the Group and the Law Society financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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 consolidated financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: <https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financialstatements/>. This description forms part of our Auditors' Report.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the members of the Law Society as a body. Our audit work has been undertaken so that we might state to the members of the Law Society those matters we are required to state to them in an Auditors' 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 Law Society and the Law Society as a body, for our audit work, for this report, or for the opinions we have formed.

The Law Society of Ireland and its Subsidiaries

Independent Auditors' Report to the Members of The Law Society of Ireland and its Subsidiaries (continued)

Stewart Dunne

for and on behalf of

BDO

Statutory Audit Firm

Miesian Plaza

50-58 Baggot Street Lower

Dublin 2

D02 Y754

17 July 2026

The Law Society of Ireland and its Subsidiaries

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2025

	Note	2025 €	2024 (restated) €
Income	4	42,379,137	36,756,927
Administrative expenses		(38,519,037)	(37,073,039)
Surplus before revaluations, exceptional items and taxation		3,860,100	(316,112)
Fair value gain arising on revaluation of investments	12	964,051	1,343,652
Fair value gain on revaluation of development land	11	5,250,000	2,750,000
Surplus before taxation		10,074,151	3,777,540
Taxation	9	(341,207)	(844,258)
Surplus after taxation	17	9,732,944	2,933,282
Other comprehensive income			
Actuarial gain on defined-pension benefit liability	20	5,433,000	2,362,000
Total comprehensive income for the financial year		15,165,944	5,295,282

There were no recognised gains and losses for 2025 or 2024 other than those included in the consolidated statement of comprehensive income.

The notes on pages 11 to 39 form part of these financial statements.

The Law Society of Ireland and its Subsidiaries

Consolidated Balance Sheet
As at 31 December 2025

	Note	2025 €	2024 (restated) €
Fixed assets			
Intangible assets	10	238,265	-
Tangible assets	11	37,215,384	30,904,776
		37,453,649	30,904,776
Current assets			
Investments	12	28,074,161	27,110,110
Stocks	13	62,018	46,398
Debtors: amounts falling due within one year	15	1,842,827	2,160,123
Cash at bank and in hand	14	20,130,025	16,930,746
		50,109,031	46,247,377
Creditors: amounts falling due within one year	16	(20,246,607)	(19,454,555)
Net current assets		29,862,424	26,792,822
Deferred taxation	18	(771,362)	(514,830)
		(771,362)	(514,830)
Net assets excluding pension surplus/(liability)		66,544,711	57,182,768
Pension surplus/(liability)	20	9,677,000	3,873,000
Net assets including pension surplus/(liability)		76,221,711	61,055,768
Accumulated Reserves			
Accumulated reserves	17	76,221,711	61,055,768
Total		76,221,711	61,055,768

The financial statements were approved and authorised for issue by the board:

Rosemarie Loftus
President

Martin Lawlor
Senior Vice President

Date: 17 July 2026

The notes on pages 11 to 39 form part of these financial statements.

The Law Society of Ireland and its Subsidiaries

Law Society Balance Sheet
As at 31 December 2025

	Note	2025 €	2024 €
Fixed assets			
Tangible assets	11	17,522,801	16,704,860
		<u>17,522,801</u>	<u>16,704,860</u>
Current assets			
Investments	12	28,074,161	27,110,110
Stocks	13	52,685	39,042
Debtors: amounts falling due within one year	15	24,071,640	17,691,250
Cash at bank and in hand	14	19,702,653	16,569,285
		<u>71,901,139</u>	<u>61,409,687</u>
Creditors: amounts falling due within one year	16	(19,805,241)	(19,482,876)
Net current assets		<u>52,095,898</u>	<u>41,926,811</u>
Provisions for liabilities			
Deferred taxation	18	(771,362)	(514,830)
		<u>(771,362)</u>	<u>(514,830)</u>
Net assets excluding pension surplus/(liability)		<u>68,847,337</u>	<u>58,116,841</u>
Pension surplus/(liability)	20	9,677,000	3,873,000
Net assets including pension surplus/(liability)		<u>78,524,337</u>	<u>61,989,841</u>
Accumulated Reserves			
Accumulated reserves	17	78,524,337	61,989,841
Total		<u>78,524,337</u>	<u>61,989,841</u>

The financial statements were approved and authorised for issue by the board:

Rosemarie Loftus
President

Martin Lawlor
Senior Vice President

Date: 17 July 2026

The notes on pages 11 to 39 form part of these financial statements.

The Law Society of Ireland and its Subsidiaries

Consolidated Statement of Cash Flows
For the year ended 31 December 2025

	Note	2025 €	2024 (restated) €
Cash flows from operating activities			
Surplus for the financial year		10,074,150	3,777,540
Adjustments for:			
Depreciation of tangible assets	11	1,359,734	1,396,193
Interest received		(69,720)	(133,883)
Loss on disposal of tangible assets		61,937	-
Fair value movements - Investments		(964,051)	(1,343,652)
Decrease/(increase) in stocks		(15,620)	22,856
Decrease/(increase) in debtors		317,293	243,733
(Decrease)/increase in creditors		1,210,566	1,067,501
(Decrease)/increase in amount due to Compensation Fund		(418,512)	(4,263,316)
Corporation tax (paid)		(84,675)	(329,428)
Actuarial pension gain	20	5,433,000	2,362,000
(Decrease)/increase in net pension assets/liabilities		(5,804,000)	(2,594,000)
Net fair value (gains) recognised in P&L	11	(5,250,000)	(2,750,000)
Net cash generated from operating activities		5,850,102	(2,544,456)
Cash flows from investing activities			
Development expenditure		(238,265)	-
Interest receivable		69,720	133,883
Sale of tangible fixed assets		(61,937)	-
Purchase of tangible fixed assets	11	(2,420,341)	(2,243,242)
Net cash from investing activities		(2,650,823)	(2,109,359)
Net increase/(decrease) in cash and cash equivalents		3,199,279	(4,653,815)
Cash and cash equivalents at beginning of year		16,930,746	21,584,561
Cash and cash equivalents at the end of year		20,130,025	16,930,746
Cash and cash equivalents at the end of year comprise:			
Cash at bank and in hand		20,130,025	16,930,746
		20,130,025	16,930,746



The Law Society of Ireland and its Subsidiaries

For the year ended 31 December 2025

	At 1 January 2025 €	Cash flows €	At 31 December 2025 €
Cash at bank and in hand	16,930,746	3,199,279	20,130,025
Liquid investments	27,110,110	964,051	28,074,161
	<u>44,040,856</u>	<u>4,163,330</u>	<u>48,204,186</u>

The notes on pages 11 to 39 form part of these financial statements.

The Law Society of Ireland and its Subsidiaries

Notes to the Financial Statements For the year ended 31 December 2025

1. General information

The Law Society of Ireland and its subsidiaries primary business functions is representative, regulatory and educational functions in respect of the solicitors' profession. It delivers high-quality legal education and training, encourages and supports the highest professional standards, and places significant emphasis on civic engagement, supporting local community initiatives and driving diversity and inclusion within the profession.

The Law Society of Ireland is incorporated by Charter and its principal place of business is Blackhall Place, Dublin 7.

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 Law Society operates.

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated. Where 'Group' is stated below, the accounting policy applies to both the Group and the Society.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

2.2 Basis of consolidation

The Law Society consolidates its interest in subsidiary undertakings as detailed in note 22, which make up the financial statements to 31 December 2025.

2.3 Going concern

The Group generated a surplus of €15,165,944 (2024: surplus €5,295,282) during the financial year ended 31 December 2025 and at that date had net current assets of €29,862,424 (2024: €26,792,822) and net assets of €76,221,711 (2024: net assets €61,055,768).

The Finance Committee considers and approves the Law Society's financial projections annually. These projections comprise income statement and cash flows based on key non-financial indicators and taking account of reasonable possible changes in performance, show that the Law Society will be able to operate within the level of its current cash and investment resources. The projections are prepared by management, considering the latest risk assessment, key sensitivities, and strategic priorities, and are considered by the Audit, Risk and Finance Board and reviewed by Council.

The Finance Committee has a reasonable expectation that the Law Society of Ireland 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.

The Law Society of Ireland and its Subsidiaries

Notes to the Financial Statements For the year ended 31 December 2025

2. Accounting policies (continued)

2.4 Income recognition

Income is recognised to the extent that it is probable that the economic benefits will flow to the Group and the income can be reliably measured. It represents amounts receivable for goods and services provided in the normal course of business, net of discounts and VAT.

Course fee income received in advance of course participation is deferred and disclosed as deferred income in the balance sheet.

2.5 Grants

Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

2.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

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.

2.7 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

The Law Society of Ireland and its Subsidiaries

Notes to the Financial Statements For the year ended 31 December 2025

2. Accounting policies (continued)

2.8 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

Defined benefit pension plan

The Group operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the Balance Sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the balance sheet date less the fair value of plan assets at the balance sheet date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in Euros and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS102 fair value hierarchy and in accordance with the Group's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- a) the increase in net pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

The Law Society of Ireland and its Subsidiaries

Notes to the Financial Statements For the year ended 31 December 2025

2. Accounting policies (continued)

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Law Society and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.10 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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.

The Law Society of Ireland and its Subsidiaries

Notes to the Financial Statements For the year ended 31 December 2025

2. Accounting policies (continued)

2.10 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Premises	- 2% per annum
Furniture, fittings, and equipment	- 20% per annum
Leasehold improvements	- 20% per annum
IT equipment	- 20% - 33% per annum
Motor vehicles	- 25% per annum
Development land	- No depreciation

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.11 Valuation of investments

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.12 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.

2.13 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.14 Cash and cash equivalents

Cash consists of cash on hand and demand deposits. Cash equivalents consist of short term highly liquid investments that are readily convertible to known amounts of cash that are subject to an insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

The Law Society of Ireland and its Subsidiaries**Notes to the Financial Statements
For the year ended 31 December 2025****2. Accounting policies (continued)****2.15 Creditors**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Notes to the Financial Statements For the year ended 31 December 2025

2. Accounting policies (continued)

2.16 Financial instruments

The Law Society has elected to apply the provisions of Section 11 “Basic Financial Instruments” of FRS 102 to all its financial instruments. Financial instruments are recognised in the Law Society’s Balance Sheet when the Law Society becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors, cash and bank balances, are initially measured at their transaction price (adjusted for transaction costs except in the initial measurement of financial assets that are subsequently measured at fair value through profit and loss) and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets

Other financial assets, which includes investments in equity instruments which are not classified as subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the recognised transaction price. Such assets are subsequently measured at fair value with the changes in fair value being recognised in the profit or loss. Where other financial assets are not publicly traded, hence their fair value cannot be measured reliably, they are measured at cost less impairment.

Impairment of financial assets

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset’s original effective interest rate. The impairment loss is recognised in profit or loss.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

Basic financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Law Society after the deduction of all its liabilities.

Basic financial liabilities, which include trade and other creditors, bank loans and other loans are initially measured at their transaction price (adjusting for transaction costs except in the initial measurement of financial liabilities that are subsequently measured at fair value through profit and loss). When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future payments discounted at a market rate of interest, discounting is omitted

The Law Society of Ireland and its Subsidiaries

Notes to the Financial Statements For the year ended 31 December 2025

2. Accounting policies (continued)

where the effect of discounting is immaterial.

Trade creditors are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade creditors are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Derecognition of financial instruments

Derecognition of financial assets

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 Law Society transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or (c) the Law Society, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Law Society's contractual obligations expire or are discharged or cancelled.

The Law Society of Ireland and its Subsidiaries

Notes to the Financial Statements For the year ended 31 December 2025

3. Critical accounting judgments and key sources of estimation uncertainty

In the application of the Law Society of Ireland's accounting policies, which are described in note 2, the Finance Committee members are required to make judgments, 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 finance committee consider the accounting estimates and assumptions below to be its critical accounting judgments and estimates.

Critical judgments

The finance committee are of the view that there are no judgments in applying their accounting policies that have had a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

Useful lives of tangible fixed assets

Long-lived assets comprising primarily of premises, leasehold improvements, fixtures, fittings and equipment and IT equipment represent a significant portion of total assets. The annual depreciation on tangible fixed assets is sensitive to changes in the estimated useful life and residual values of the assets. The useful economic lives and residual values are reviewed annually. They are amended when necessary to reflect current estimates, based on technological advancements, future investments, economic utilisation and the physical condition of the asset. Changes in the useful lives have a significant impact on the depreciation for the financial year.

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.

Defined Benefit Pension Scheme

The Law 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 20 of the financial statements.

The Law Society of Ireland and its Subsidiaries

Notes to the Financial Statements
For the year ended 31 December 2025

4. Income

An analysis of income by class of business is as follows:

	2025 €	2024 €
Fees and subscriptions	26,507,756	22,787,468
Education activities	13,936,957	12,179,820
Solicitors Services	481,524	557,432
Four courts rooms	1,140,749	925,399
Interest income	125,757	133,883
Subsidiary income	110,094	109,706
Sundry income	76,300	63,219
	42,379,137	36,756,927

5. Expenditure

An analysis of expenditure by class of business is as follows:

	2025 €	2024 (restated) €
General activities	23,987,331	22,781,292
Education activities	13,688,328	13,279,706
Subsidiaries	843,378	1,012,041
	38,519,037	37,073,039

The Law Society of Ireland and its Subsidiaries

Notes to the Financial Statements
For the year ended 31 December 2025

6. Staff Costs

	2025 General activities €	2025 Subsidiar- ies €	2025 Total €	2024 General activities €	2024 Subsidiar- ies €	2024 Total €
Salaries and wages	12,907,126	100,308	13,007,434	12,700,326	63,193	12,763,519
PRSI	1,398,009	19,928	1,417,937	1,400,942	5,152	1,406,094
Pension costs	1,167,906	-	1,167,906	1,265,443	9,374	1,274,817
	15,473,041	120,236	15,593,277	15,366,711	77,719	15,444,430

The average aggregate number of FTE employees during 2025 was 177 (2024: 167).

Key Management Remuneration

The total remuneration for key management personnel, who consist of 9 Directors and 10 Section Heads/Managers, for the financial year totaled €2,053,627 (2024: €2,147,076). Remuneration includes salary, social security costs and pension costs.

7. Prior year restatement

The prior period results have been restated to include adjustments for the consolidation of the activities to date of Blackhall Technologies Limited. This wholly owned subsidiary had not been consolidated up to 2024 based on it having a different financial year end and its results being immaterial to the Group consolidated financial statements. Consequently, expenses were understated by €367,241 and the net assets of group Law Society was decreased by €620,967.

8. Revaluation of Development Land

The development land, included in tangible fixed assets, was valued at €19,250,000 by qualified external valuers Mason Owen & Lyons on a fair value basis at 31 December 2025.

The Law Society of Ireland and its Subsidiaries

Notes to the Financial Statements
For the year ended 31 December 2025

9. Taxation

	2025 €	2024 €
Corporation tax		
Current tax on profits for the year	84,675	141,353
Tax on disposal of investments	-	188,075
	84,675	329,428
Total current tax	84,675	329,428
Deferred tax		
Origination and reversal of timing differences	256,532	514,830
Total deferred tax	256,532	514,830
	341,207	844,258

Factors affecting tax charge for the year

The tax assessed for the financial year is higher than (2024 - higher than) the standard rate of corporation tax in Ireland of 12.5%. The differences are explained below:

	2025 €	2024 €
Profit on ordinary activities before tax	10,074,150	3,777,540
Profit on ordinary activities multiplied by standard rate of corporation tax in Ireland of 12.5% (2024 - 12.5%)	1,259,269	472,193
Effects of:		
Capital allowances for year in excess of depreciation	57,422	42,258
Higher tax rates on interest and rental income	329,856	292,397
Short-term timing difference leading to an increase in taxation	256,532	514,830
Non-taxable income less expenses not deductible for tax purposes, other than goodwill and impairment	(1,561,872)	(477,420)
Total tax charge for the year	341,207	844,258

Factors that may affect future tax charges

There were no factors that may affect future tax charges.



The Law Society of Ireland and its Subsidiaries

Notes to the Financial Statements
For the year ended 31 December 2025

10. Intangible assets

Group

	Development expenditure €
Cost	
At 1 January 2025	-
Additions	238,265
At 31 December 2025	238,265
Net book value	
At 31 December 2025	238,265
At 31 December 2024	-

All of the Group's intangible fixed assets are held in the Blackhall Technologies Limited (BHT), a special purpose entity created to design and bring to market an online e-conveyancing solution.

These costs are considered to meet the criteria laid out in FRS 102 to qualify for capitalisation as an intangible fixed asset, and accordingly development costs are not treated as a realised loss but are capitalised and amortised to the statement of income and retained earnings by equal installments over the life span of the related product. No amortisation has been recognised as at 31 December 2025, as the project was not yet available for use at the period end.

The Law Society of Ireland and its Subsidiaries

Notes to the Financial Statements
For the year ended 31 December 2025

11. Tangible fixed assets

Group

	Premises €	Leasehold improvements €	Fixtures and fittings €	IT equipment €	Motor vehicles €	Assets under construction €	Development land €	Total €
Cost or valuation								
At 1 January 2025	22,933,992	2,738,716	7,320,355	10,412,609	99,450	189,631	14,000,000	57,694,753
Additions	-	-	1,942,172	233,934	-	244,235	-	2,420,341
Disposals	(24,801)	-	-	-	-	-	-	(24,801)
Transfers between classes	(86,253)	(2,028,804)	(2,146,666)	(1,746,687)	(99,450)	-	-	(6,107,860)
Revaluations	-	-	-	-	-	-	5,250,000	5,250,000
At 31 December 2025	22,822,938	709,912	7,115,861	8,899,856	-	433,866	19,250,000	59,232,433
Depreciation								
At 1 January 2025	9,218,429	2,109,908	6,569,226	8,792,963	99,450	-	-	26,789,976
Charge for the year on owned assets	515,825	138,766	235,090	470,053	-	-	-	1,359,734
Disposals	(24,801)	-	-	-	-	-	-	(24,801)
Transfers between classes	(86,253)	(2,028,804)	(2,146,666)	(1,746,687)	(99,450)	-	-	(6,107,860)
At 31 December 2025	9,623,200	219,870	4,657,650	7,516,329	-	-	-	22,017,049
Net book value								
At 31 December 2025	13,199,738	490,042	2,458,211	1,383,527	-	433,866	19,250,000	37,215,384
At 31 December 2024	13,715,563	628,808	751,129	1,619,646	-	189,631	14,000,000	30,904,777

The Law Society of Ireland and its Subsidiaries

Notes to the Financial Statements
For the year ended 31 December 2025

Law Society

	Premises €	Leasehold improvements €	Furniture, fittings & equipment €	IT equipment €	Motor vehicles €	Total €
Cost or valuation						
At 1 January 2025	22,933,992	2,738,716	6,995,255	10,412,609	99,450	43,180,022
Additions	-	-	1,942,172	233,934	-	2,176,106
Disposals	(24,801)	-	-	-	-	(24,801)
Transfers between classes	(86,253)	(2,028,804)	(2,146,666)	(1,746,687)	(99,450)	(6,107,860)
At 31 December 2025	22,822,938	709,912	6,790,761	8,899,856	-	39,223,467
Depreciation						
At 1 January 2025	9,218,429	2,109,908	6,254,412	8,792,963	99,450	26,475,162
Charge for the year on owned assets	515,825	138,766	233,521	470,053	-	1,358,165
Disposals	(24,801)	-	-	-	-	(24,801)
Transfers between classes	(86,253)	(2,028,804)	(2,146,666)	(1,746,687)	(99,450)	(6,107,860)
At 31 December 2025	9,623,200	219,870	4,341,267	7,516,329	-	21,700,666
Net book value						
At 31 December 2025	13,199,738	490,042	2,449,494	1,383,527	-	17,522,801
At 31 December 2024	13,715,563	628,808	740,843	1,619,646	-	16,704,860

Group Society

Total assets under construction that have not been depreciated in the financial year is €433,866 (2024: €189,631).

The Law Society of Ireland and its Subsidiaries

Notes to the Financial Statements For the year ended 31 December 2025

12. Investments

	2025 €	2024 €
Group and Law Society		
Balance at 1 January 2025	27,110,110	25,766,457
Additions	-	-
Disposals	-	-
Fair value (loss)/gain	964,051	1,343,653
Balance at 31 December 2025	28,074,161	27,110,110

The investments are comprised of the following:

- (a) JP Morgan Money Market Fund ('JPMMF')
- (b) Davy Defensive Growth Fund ('DDGF')
- (c) Davy Passive Growth Fund ('DPGF')
- (d) BNP Paribas
- (e) SRI (ESG) Global Funds ('ESGGF')

The Law Society's investments are monitored by the Investment Sub-Committee and managed in line with its Treasury and Investment Policy which is updated regularly.

13. Stocks

	Group 2025 €	Group 2024 €	Law Society 2025 €	Law Society 2024 €
Finished goods and goods for resale	62,018	46,398	52,685	39,042

There are no material differences between the replacement cost of stock and the Consolidated Balance Sheet amounts.

14. Cash and cash equivalents

	Group 2025 €	Group 2024 (restated) €	Law Society 2025 €	Law Society 2024 (restated) €
Bank and cash balances	20,130,025	16,930,746	19,702,653	16,569,285

The Law Society of Ireland and its Subsidiaries

Notes to the Financial Statements
For the year ended 31 December 2025

15. Debtors

	Group 2025 €	Group 2024 (restated) €	Law Society 2025 €	Law Society 2024 (restated) €
Debtors & Prepayments	1,814,502	2,138,602	1,606,775	1,957,088
Amounts due from Law Society of Ireland Scholarship Fund	28,325	21,521	28,325	21,521
Amounts due from the Law Club of Ireland	-	-	-	50,520
Amounts due from Blackhall Technologies Limited	-	-	1,337,415	705,111
Amounts due from Benburb Street Property Company Limited	-	-	21,099,125	14,957,010
	1,842,827	2,160,123	24,071,640	17,691,250

16. Creditors: Amounts falling due within one year

	Group 2025 €	Group 2024 €	Law Society 2025 €	Law Society 2024 €
Trade creditors and accruals	12,120,157	11,177,136	11,356,967	11,165,368
Amounts due to Law Society of Ireland Compensation Fund	396,775	820,724	396,775	820,724
Amounts due to the Law Club of Ireland	-	-	187,636	-
Amounts due to the Solicitor's Benevolent Association	4,250	-	4,250	-
Amounts due to the Irish Rule of Law International	1,187	-	1,187	-
Deferred income	7,099,663	6,729,105	7,099,663	6,729,105
PAYE/PRSI	605,184	623,198	605,184	623,198
VAT	19,391	104,392	153,579	144,481
	20,246,607	19,454,555	19,805,241	19,482,876

Deferred income represents fees for the 2026 financial year received in the financial year to 31 December 2025.

The Law Society of Ireland and its Subsidiaries

Notes to the Financial Statements
For the year ended 31 December 2025

17. Accumulated Reserves

Group	Total €	Law Society accumulated reserves €	Law School accumulated reserves €	Litigation Fund €	Capital Expenditure Fund €	Capital Reserve Fund €	Pension Reserve Fund €	LSRA Levy Fund €	BHT €
Balance as at 1 January 2025	61,055,767	39,636,011	12,273,737	1,089,321	1,545,216	5,509,792	3,873,000	(2,250,342)	(620,968)
Surplus/(deficit) for year	15,165,944	5,689,587	1,138,999	356,129	118,652	949,473	5,804,000	1,445,253	(336,149)
Transfers	-	687,143	-	(592,122)	(95,021)	-	-	-	-
Balance as at 31 December 2025	76,221,711	46,012,741	13,412,736	853,328	1,568,847	6,459,265	9,677,000	(805,089)	(957,117)

Law Society	Total €	Law Society accumulated reserves €	Law School accumulated reserves €	Litigation Fund €	Capital Expenditure Fund €	Capital Reserve Fund €	Pension Reserve Fund €	LSRA Levy Fund €
Balance as at 1 January 2025	61,989,841	39,688,933	12,533,921	1,089,321	1,545,216	5,509,792	3,873,000	(2,250,342)
Surplus/(deficit) for year	16,534,496	6,982,174	878,815	356,129	118,652	949,473	5,804,000	1,445,253
Transfers	-	687,143	-	(592,122)	(95,021)	-	-	-
Balance as at 31 December 2025	78,524,337	47,358,250	13,412,736	853,328	1,568,847	6,459,265	9,677,000	(805,089)

Group and Law Society

The Council 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 Council as being more appropriate to particular funds or reserves.

The Law Society of Ireland and its Subsidiaries

Notes to the Financial Statements For the year ended 31 December 2025

18. Deferred taxation

Group

	2025 €	2024 €
At beginning of year	(514,830)	-
Charged to profit or loss	(256,532)	(514,830)
At end of year	(771,362)	(514,830)

Law Society

	2025 €	2024 €
At beginning of year	(514,830)	-
Charged to profit or loss	(256,532)	(514,830)
At end of year	(771,362)	(514,830)

The provision for deferred taxation is made up as follows:

	Group 2025 €	Group 2024 €	Law Society 2025 €	Law Society 2024 €
Temporary differences on fair value adjustments of investments	(771,362)	(514,830)	(771,362)	(514,830)

19. Financial instruments

Group

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

Financial assets

	2025 €	2024 €
Measured at fair value through the income statement		
Listed investments	28,074,161	27,110,110

The Law Society of Ireland and its Subsidiaries

Notes to the Financial Statements For the year ended 31 December 2025

	€	€
Measured at undiscounted amounts receivable		
Debtors and prepayments	1,814,502	2,138,600
Amounts owed from subsidiaries	-	-
Amounts owed from related undertakings	28,325	21,521
	<u>1,842,827</u>	<u>2,160,121</u>

Financial liabilities

	€	€
Measured at undiscounted amounts payable		
Creditors and accruals	12,120,154	11,177,136
Amounts owed to subsidiaries	-	-
Amounts owed to related undertakings	402,212	820,724
	<u>12,522,366</u>	<u>11,997,860</u>

Society

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

Financial assets

	2025 €	2024 €
Measured at fair value through the income statement		
Listed investments	<u>28,074,161</u>	<u>27,110,110</u>

	€	€
Measured at undiscounted amounts receivable		
Debtors and prepayments	1,606,775	1,957,088
Amounts owed from subsidiaries	22,436,540	15,712,641
Amounts owed from related undertakings	28,325	21,521
	<u>24,071,640</u>	<u>17,691,250</u>



The Law Society of Ireland and its Subsidiaries

Notes to the Financial Statements
For the year ended 31 December 2025

Financial liabilities

	€	€
Measured at undiscounted amounts payable		
Creditors and accruals	11,356,967	11,165,368
Amounts owed to subsidiaries	187,636	-
Amounts owed to related undertakings	402,212	820,724
	<u>11,946,815</u>	<u>11,986,092</u>

Notes to the Financial Statements For the year ended 31 December 2025

Pension commitments

The Law Society operates a defined benefit pension scheme and a defined contribution pension scheme. 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 2025. The assumptions which 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 4.50% per annum pre retirement and 3.00% per annum post retirement, that future salary increases would average 2.60% per annum, and that pensions in payment will increase at 2.10% per annum on average (in line with inflation, capped at 3%). In effect, this means that the investment return pre retirement would be 1.90% per annum higher than future salary increases and the investment return post retirement would be 0.90% per annum higher than pension increases.

The actuarial valuation at 31 December 2025 indicated that the market value of the assets of the scheme was €49,066,000 and that the assets were sufficient to cover 103% 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 agreed to continue the existing contribution rate at 25% of pensionable salaries in 2025 and to pay 20% of pensionable salaries in 2026 and 2027. The next actuarial valuation of the scheme to determine the contributions will be carried out as at 31 December 2027.

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 may, with the express consent of the Law Society, award discretionary increases to pensions in payment on an annual basis. With effect from 1 January 2026, such increases are assumed to be equal to 100% of the annual increase in the Consumer Price Index, subject to a maximum annual increase of 3%. The Law Society continues to assert and maintain its discretion in approving these increases on an annual basis.

As set out above, the Law Society is providing funding based on this level of discretionary pension increase. At the preceding two actuarial valuations, funding was provided on the assumption that discretionary increases would be limited to 60% of the discretionary pension increase (i.e. 60% of CPI, capped at 1.8%).

The actuary carries out an annual update of the Funding Standard position of the scheme. The scheme met the Funding Standard at 31 December 2025.

Requirements

The Law Society is the sponsoring employer of the scheme and has the legal responsibility for the scheme. The Law Society of Ireland 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 Law 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.

The Law Society of Ireland and its Subsidiaries

Notes to the Financial Statements For the year ended 31 December 2025

	2025 €'000	2024 €'000
Changes in the present value of the defined benefit obligation in the year were as follows:		
Opening defined benefit obligation	45,283	45,632
Service cost (including employee contributions)	1,740	1,756
Interest cost	1,575	1,612
Benefits paid	(3,158)	(1,778)
Actuarial losses/(gains)	(6,621)	(1,939)
Closing defined benefit obligation	38,819	45,283
	2025 €'000	2024 €'000
Changes in the fair value of plan assets in the year were as follows:		
Opening fair value of plan assets	49,156	46,911
Contributions (including employees)	1,938	1,909
Benefits paid	(3,158)	(1,778)
Interest income	1,748	1,691
Actuarial gains/(losses)	(1,188)	(423)
Closing fair value of plan assets	48,496	48,310
	2025 %	2024 %
The principal actuarial assumptions at the balance sheet date:		
Rate of general increase in salaries	3	3
Discount rate of scheme liabilities	4	4
Rate of pension increase	2	2
Inflation/Revaluation/State pension increase	2	2
Future increases to hybrid cap	2	2
Post retirement mortality	-	-
Current pensioners at 65 - male	23	23
Current pensioners at 65 - female	25	25
Future pensioners at 65 – male	25	24
Future pensioners at 65 – female	26	26
% of pension commuted for cash at retirement	13	13

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 2045.

The Law Society of Ireland and its Subsidiaries

Notes to the Financial Statements
For the year ended 31 December 2025

	2025 €'000	2024 €'000
The market value of the scheme's assets at the year end were as follows:		
Equities	15,153	17,329
Bonds	27,033	22,045
Cash	168	146
Other	6,142	9,636
	48,496	49,156
	2025 €'000	2024 €'000
The actual return on plan assets	560	2,114
	2025 €'000	2024 €'000
The amounts recognised in the balance sheet are as follows:		
Fair value of plan assets	48,496	49,156
Present value of funded obligations	38,819	45,283
	9,677	3,873
Surplus/(Deficit) in the scheme	-	-
Deferred tax asset	-	-
	-	-
Net liability	-	-
	2025 €'000	2024 €'000
The amounts included in the performance statements are as follows:		
Current service cost	1,299	1,316
	(1,748)	(1,691)
Interest income on pension scheme assets	1,575	1,612
Interest on pension scheme liabilities	-	-
	(173)	(79)
Net interest (income)/charge included in investment income	-	-

Notes to the Financial Statements
For the year ended 31 December 2025

	2025 €'000	2024 €'000
Actual return less expected return on pension scheme's assets	(1,118)	423
Experience gains and losses arising on the scheme's liabilities	498	819
Changes in assumptions underlying the present value of the scheme's liabilities	6,123	1,120
Actuarial gain/(loss) included in Income and Expenditure Account	5,503	2,362
	2025 €'000	2024 €'000
The movements in the deficit in the scheme during the year arose as follows:		
Surplus/(Deficit) at beginning of year	3,873	1,279
Current service cost	(1,299)	(1,316)
Past service cost	-	-
Net interest cost	173	79
Contributions (excluding employees)	1,497	1,469
Actuarial gain/(loss)	5,433	2,362
Surplus/(Deficit) at end of year	9,677	3,873
	2025 €'000	2024 €'000
History of defined benefit obligations, assets and experience gains/losses for the year ended 31 December:		
Defined benefit obligation	38,819	45,283
Fair value of plan assets	48,496	49,156
Surplus/(Deficit)	9,677	3,873
	2025 €'000	2024 €'000
Difference between the expected and actual return on plan assets:		
Amount	(1,118)	423
	2025 €	2024 €
Experience gains/(losses) on plan liabilities:		
Amount	498	819

Future contributions:

The Law Society expects to contribute €1,321,000 to the defined benefit pension scheme in 2026.

The Law Society of Ireland and its Subsidiaries

Notes to the Financial Statements For the year ended 31 December 2025

21. Related Party Transactions

	2025 €	2024 €
Law Society Compensation Fund		
Balance at 1 January 2025	(820,723)	(5,084,040)
Charges	10,038,808	12,774,161
Receipts	(9,614,860)	(8,510,844)
Balance at 31 December 2025	(396,775)	(820,723)
	2025 €	2024 €
Law Society of Ireland Scholarship Fund		
Balance at 1 January 2025	21,521	20,361
Charges	23,276	17,160
Receipts	(16,472)	(16,000)
Balance at 31 December 2025	28,325	21,521

The Council are availing of the exemption in Section 33 FRS 102 "Related Party Disclosures", which permits a qualifying entity to not provide disclosures on transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

The related undertakings as noted above 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 Law 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.

Members of Council, or their firms, are required to pay annual subscriptions, training charges and other costs, which are charged on the same basis as all other members of the Institute.

Members of Council who are solicitors do not receive any remuneration in respect of their service to Council other than by way of the reimbursement of expenses incurred which during 2025 totaled €351,047 (2024: €372,624).

Other related party transactions

Apart from those already disclosed in the financial statements there is no other related party balances which is required to be disclosed in the financial statements.



The Law Society of Ireland and its Subsidiaries

Notes to the Financial Statements
For the year ended 31 December 2025

22. Subsidiary and Related Undertakings

The consolidated financial statements present the results of the Law Society and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the financial statements of the Law Society and the following entities:

- Benburb Street Property Company Limited (b)
- Law Club of Ireland* (a)
- Blackhall Technologies Limited (b)

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

While the trustees and directors of these entities exercise operational autonomy in fulfilling the objectives of their respective bodies, these entities have been consolidated based on control as set out in the following paragraph.

Control of related entities: (a) incorporated without shares but the Law Society has controlling votes in matters of key strategy and (b) wholly owned subsidiary.

Related undertakings:

- Law Society of Ireland Compensation Fund
- Law Society of Ireland Scholarship Fund

23. Capital Commitments

	2025 €	2024 €
At the end of the year, the following expenditure had been authorised by the Finance Committee:		
Contracts agreed	192,008	728,617
	<u>192,008</u>	<u>728,617</u>

24. Contingent liabilities

The Law 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 Law Society at 31 December 2025. Legal costs incurred by the Law Society to 31 December 2025, in connection with these matters, have been charged to the Statement of Comprehensive Income and Retained Earnings.

The Benburb Street Property has been identified by Dublin City Council as potentially liable for Residential Zoned Land Tax and therefore a liability may arise in the future.

The Law Society of Ireland and its Subsidiaries

Notes to the Financial Statements For the year ended 31 December 2025

25. Post balance sheet events

On 19 March 2026, planning permission was granted for development land held by the subsidiary company at Benburb Street. This permission was granted after the reporting date of 31 December 2025 and therefore is a non-adjusting event.

Apart from the above there were no significant events affecting the Law Society since the financial year end which would require adjustment to or disclosure in the financial statements.

26. Approval of financial statements

The Council approved these financial statements for issue on 17 July 2026