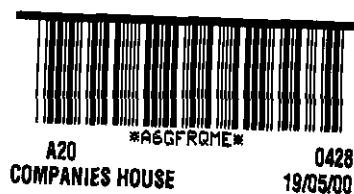


**THE LAW SOCIETY TRUSTEES LIMITED
AND THE LAW SOCIETY CHARITY**

Report and Financial Statements

5 April 2000

**Deloitte & Touche
Hill House
1 Little New Street
London EC4A 3TR**



REPORT AND FINANCIAL STATEMENTS 2000

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DIRECTORS' REPORT

The directors of the Law Society Trustees Limited (the "company") present their report and audited financial statements for the year ended 5 April 2000.

CONSTITUTION

The company was incorporated on 22 November 1974 as a company limited by Guarantee and not having a share capital. By its Articles, membership is limited to the Law Society and to such persons as shall be proposed for membership by the Council of the Law Society.

The company is a subsidiary of the Law Society, which is incorporated by Royal Charter in Great Britain, and which is regarded by the directors as the ultimate parent undertaking.

PRINCIPAL ACTIVITIES

The company is at present solely engaged in acting as Trustee of a Trust Fund known as The Law Society Charity, created by a Trust Deed of 11 December 1974 made between the Law Society and the company. The Law Society Charity is a registered charity (no. 268736). The present income of The Law Society Charity is derived mainly from:

- (a) donations made by the Law Society under deed of covenant and the Gift Aid legislation; and
- (b) donations made by The Law Society Services Limited and The Law Society Property Services Limited under deed of covenant.

This is disbursed in furtherance of the charitable objects expressed in clauses 4 and 5 of the said Trust Deed of 11 December 1974 and in the Memorandum of Association of the company. The company does not trade and, by its Memorandum of Association, it is debarred from making any profit or gain of any kind.

FINANCIAL STATEMENTS OF THE LAW SOCIETY CHARITY

In addition, there are attached to this report the audited financial statements of The Law Society Charity for the year ended 5 April 2000.

DIRECTORS

The directors who served during the year were:

G W Staple	(Chairman)
J A J Aucott	(resigned 2 June 1999)
R W Henchley	(resigned 2 June 1999)
M S Howells	
J N W Dodds	
K P Byass	
F A Smith	
S Gadhia	
C Glasser	(appointed 2 June 1999)
RMC Venables	(appointed 2 June 1999)

The Articles of Association provide that one-third of the directors shall retire at the Annual General Meeting in each year. Messrs Staple and Dodds and Ms Smith retire and, being eligible, offer themselves for re-election.

AUDITORS

A resolution for the reappointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

BY ORDER OF THE BOARD



Secretary
17 May 2000

**THE LAW SOCIETY TRUSTEES LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the income and expenditure of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS' REPORT TO THE MEMBERS OF THE LAW SOCIETY TRUSTEES LIMITED

We have audited the financial statements on page 4 which have been prepared under accounting policies on page 4.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

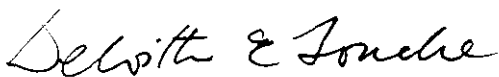
Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 5 April 2000 and of the result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants and Registered Auditors

Hill House
1 Little New Street
London EC4A 3TR

17 May 2000

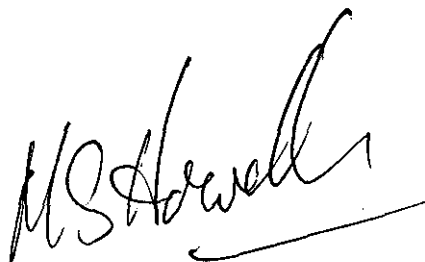
**THE LAW SOCIETY TRUSTEES LIMITED
AND THE LAW SOCIETY CHARITY**

**THE LAW SOCIETY TRUSTEES LIMITED
Balance Sheet
5 April 2000**

The Company has neither assets nor liabilities.

The financial statements were approved by the Board of The Law Society Trustees Limited on 12 April 2000 and signed on behalf of the Board by

M. Howells
Director

A handwritten signature in black ink, appearing to read 'M. Howells', with a horizontal line underneath.

~~G. Staple~~
~~Director~~

Note to the Accounts

Accounting Policies

The financial statements have been prepared in accordance with applicable accounting standards.

The company has not traded and has made neither profit nor loss and accordingly has no recognised gains or losses in the current and preceding year. Any expenses incurred for both the current and preceding years are borne by the Law Society. None of the directors received any remuneration for services as director during either the current year or the preceding financial year. The ultimate controlling entity is the Law Society.

**THE LAW SOCIETY CHARITY (Registered Charity No. 268736)
ANNUAL REPORT OF THE LAW SOCIETY CHARITY 1999/2000**

TRUSTEE

The Law Society Trustees Limited, 113 Chancery Lane, London WC2A 1PL.

AUDITORS

Deloitte & Touche, Hill House, 1 Little New Street, London EC4A 3TR.

BANKERS

Barclays Bank PLC, Goslings Business Centre, 81 Fleet Street, London EC4Y 1ET.

CONSTITUTION

The charity was created by a Trust Deed dated 11 December 1974 made between the Law Society and The Law Society Trustees Limited, the Charity's Trustee. It is a registered charity identified by the number 268736.

Under the Trust Deed, the Trustee stands possessed of the trust fund of the Charity absolutely upon trust for the Charity within its absolute discretion but in particular for:

- (1) the continuation and furtherance of legal education and the acquisition of legal knowledge by any charitable means;
- (2) the College of Law incorporated under the Companies Act 1948 and any other similar institution or body being itself a registered charity;
- (3) scholarships, exhibitions, bursaries, prizes or grants to be awarded, given or made for the furtherance of legal education or for research into the laws of England and other jurisdictions; and
- (4) the discharge from time to time of such of the charitable obligations (if any) imposed upon the Society by Statute or otherwise as may be within the scope of the Trusts.

OBJECTS AND POLICIES

The Charity is essentially a grant making charity. The Board of the Trustee has decided that the objects of the Charity's benefactions should be:

generally, charitable activities which, in the opinion of the Board, are in the furtherance of the law or justice;

charitable educational purposes for lawyers and would-be-lawyers;

legal research;

the promotion of a greater understanding of the law generally;

charities concerned with the provision of advice, counselling and mediation services connected with the law;

the welfare directly or indirectly of solicitors, trainee solicitors, other legal staff, Law Society staff and their families who are in charitable need; and

in exceptional circumstances, to the general public's charitable benefit.

REVIEW OF FINANCIAL TRANSACTIONS AND POSITION

During the year, the Charity received donations under deed of covenant from the Law Society and The Law Society Services Limited. The Charity also received other donations to support the Senior Research Fellowship in Company and Commercial Law at the Institute of Advanced Legal Studies and interest from bank deposits.

The Charity was able to make a number of grants and donations during the year. The largest was a grant to the Law Society for educational purposes. Awards were also made of £72,500 to SolCare, £70,000 to the Solicitors Benevolent Association, £45,000 to the Citizenship Foundation, £45,000 to the Solicitors Pro Bono Group, £27,500 to the Galleries of Justice, £15,000 to the Capital Cases Charitable Trust. Several other smaller awards were made of £10,000 or less.

It is not the aim of the Charity to accumulate large cash balances; however, it has sufficient funds to meet its commitments to Solicitors Pro Bono Group of further funding. It is the aim of the Charity to continue to make grants and donations within the above objects and policies according to the income it receives.

**THE LAW SOCIETY CHARITY (Registered Charity No. 268736)
STATEMENT OF TRUSTEE'S RESPONSIBILITIES**

Law applicable to charities in England and Wales requires the trustee to prepare financial statements for each financial year which give a true and fair view of the incoming resources and application of the resources of the charity during the year and of its state of affairs at the end of the year. In preparing financial statements giving a true and fair view, the trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustee is responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain its financial position and to ensure that the financial statements comply with the Charities Act 1993, the Charities (Accounts and Reports) Regulations 1995 and the Trust Deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS' REPORT TO THE TRUSTEE OF THE LAW SOCIETY CHARITY

We have audited the financial statements on pages 9 to 13 which have been prepared under the accounting policies set out on page 12.

Respective responsibilities of Trustee and auditors

As described on page 7 the Trustee is responsible for the preparation of financial statements which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustee in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the Charity's state of affairs as at 5 April 2000 and of its incoming resources and total resources expended in the year then ended and have been properly prepared in accordance with the Charities Act 1993, Regulation 3 of the Charities (Accounts and Reports) Regulations 1995 and Trust Deed made between The Law Society Charity and the Law Society Trustees Limited on 11 December 1974.



Chartered Accountants

17 May 2000

**THE LAW SOCIETY CHARITY
STATEMENT OF FINANCIAL ACTIVITIES
Year ended 5 April 2000**

	Notes	General fund 2000 £	Restricted fund 2000 £	Total 2000 £	Total 1999 £
INCOMING RESOURCES – CONTINUING OPERATIONS					
Donation under deeds of covenant (gross) and Gift Aid:					
The Law Society		1,605,614	-	1,605,614	1,922,138
The Law Society Services Limited		385,740	-	385,740	
Other donors		-	28,000	28,000	8,250
		<u>1,991,354</u>	<u>28,000</u>	<u>2,019,354</u>	<u>1,930,388</u>
Bank deposit interest (gross)	6	173,943	-	173,943	15,173
Total Incoming Resources		<u>2,165,297</u>	<u>28,000</u>	<u>2,193,297</u>	<u>1,945,561</u>
RESOURCES EXPENDED					
Direct charitable expenditure					
Grants:					
Solicitors Pro Bono Group		45,000	-	45,000	-
SolCare		72,500	-	72,500	-
Capital Cases Charitable Trust		15,000	-	15,000	-
European Law Student's Association		2,000	-	2,000	-
Amnesty International		4,800	-	4,800	-
Commonwealth Magistrates and Judges Association		5,000	-	5,000	-
Justice		958	-	958	-
Book Aid International		2,000	-	2,000	2,000
Family Rights Group		2,607	-	2,607	-
Senior Research Fellowship		-	33,500	33,500	-
Lord Slynn European Law Foundation		3,500	-	3,500	-
Law Society National Trust Prize Fund		1,000	-	1,000	-
Asylum Aid		2,000	-	2,000	-
Advice Services Alliance		2,000	-	2,000	-
Grandparents Federation		3,450	-	3,450	-
Disability Law Service		1,000	-	1,000	3,000
Galleries of Justice		27,500	-	27,500	6,250
The Citizen. Foundation		45,000	-	45,000	39,000
The Law Society for Educational Purposes		809,872	-	809,872	1,334,563
Fair Trials Abroad		10,000	-	10,000	-
Trainee Solicitors Group		6,000	-	6,000	-
Prisoners Advisory Service		3,500	-	3,500	-
Skill		5,000	-	5,000	-
British Records Association		1,000	-	1,000	-
Botton School		250	-	250	-
		<u>1,070,937</u>	<u>33,500</u>	<u>1,104,437</u>	<u>1,384,813</u>
Sub-total carried forward		1,070,937	33,500	1,104,437	1,384,813

**THE LAW SOCIETY CHARITY
STATEMENT OF FINANCIAL ACTIVITIES
Year ended 5 April 2000**


	General fund 2000 £	Restricted fund 2000 £	Total 2000 £	Total 1999 £
Sub-total brought forward	1,070,937	33,500	1,104,437	1,384,813
Institute of Advanced Legal Studies	-	-	-	37,500
Law Centre Federation	-	-	-	1,000
Reunite	-	-	-	3,500
Advice service	-	-	-	750
National association of child contact centres	-	-	-	1,500
International Bar Association education trust	-	-	-	2,000
International Human rights working party	-	-	-	2,250
Newcastle upon Tyne incorporated law society	-	-	-	2,500
Society of black lawyers	-	-	-	2,500
Kurdish Human Rights project	-	-	-	3,000
Minority Lawyers Conference	-	-	-	3,000
Prisoners abroad	-	-	-	3,500
National Youth Advocacy Service	-	-	-	4,000
Parents Against Injustice (PAIN)	-	-	-	5,000
Royal Courts of Justice advice centre	-	-	-	10,000
Donations (including Solicitors Benevolent Association)	80,500	-	80,500	79,850
	<u>1,151,437</u>	<u>33,500</u>	<u>1,184,937</u>	<u>1,546,663</u>
Other expenditure				
Management and administration:				
- Auditors' remuneration	440	-	440	440
- Sundry expenses	44	-	44	31
- Legal fees	-	-	-	2,500
- Value added tax irrecoverable	77	-	77	514
	<u>1,151,998</u>	<u>33,500</u>	<u>1,185,498</u>	<u>1,550,148</u>
TOTAL EXPENDITURE FOR THE YEAR	<u>1,151,998</u>	<u>33,500</u>	<u>1,185,498</u>	<u>1,550,148</u>
NET INCOMING/(OUTGOING) RESOURCES	1,013,299	(5,500)	1,007,799	395,413
TRANSFERRED TO RESTRICTED FUND	(10,000)	10,000	-	-
Net movement in funds	<u>1,003,299</u>	<u>4,500</u>	<u>1,007,799</u>	<u>395,413</u>
Balance of Fund at beginning of the year	763,118	18,250	781,368	385,956
Balance of Fund at end of the year	<u>1,766,417</u>	<u>22,750</u>	<u>1,789,167</u>	<u>781,369</u>

**THE LAW SOCIETY CHARITY
BALANCE SHEET
5 April 2000**

	Notes	General fund 2000 £	Restricted fund 2000 £	Total 2000 £	Total 1999 £
CURRENT ASSETS					
Debtors	7	-	-	-	460,000
Bank balances		2,892,633	22,750	2,915,383	1,346,272
		<u>2,892,633</u>	<u>22,750</u>	<u>2,915,383</u>	<u>1,806,272</u>
CURRENT LIABILITIES					
Creditors	8	(1,126,216)	-	(1,126,216)	(1,024,903)
		<u>1,766,417</u>	<u>22,750</u>	<u>1,789,167</u>	<u>781,369</u>
NET CURRENT ASSETS					
		<u>1,766,417</u>	<u>22,750</u>	<u>1,789,167</u>	<u>781,369</u>
FUNDS					
		<u>1,766,417</u>	<u>22,750</u>	<u>1,789,167</u>	<u>781,369</u>

Approved by The Law Society Trustees Limited on 12 April 2000 and signed for and on behalf of The Law Society Trustees Limited - the Trustee:

M. Howells
Director



G. Staple
Director

THE LAW SOCIETY CHARITY
NOTES TO THE ACCOUNTS
Year ended 5 April 2000

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Income

The donations under Gift Aid and deed of covenant by the Law Society and its subsidiaries represent the amounts receivable each year, together with the related income tax recoverable.

Other income represents the amounts receivable in the year.

Grants

Grants represent the amounts authorised by the Trustee in respect of the year, irrespective of whether those amounts have been paid to the recipients by the balance sheet date.

2. RESTRICTED FUND

The Charity has received donations from various firms of Solicitors and other organisations which have been passed to the Institute of Advanced Legal Studies to provide financial support for a Senior Research Fellowship in Company and Commercial Law. These donations have been allocated to the Restricted Fund.

The Charity will contribute up to £10,000 per annum to the Restricted Fund, if there is a shortfall between the amounts donated to and the amounts paid out of the Restricted Fund.

3. CONTROLLING ENTITY

The Charity is controlled by the Law Society Trustees Limited which is a subsidiary of the Law Society. Transactions with related parties are disclosed elsewhere in the accounts.

4. INFORMATION REGARDING EMPLOYEES AND TRUSTEES

There were no employees during the year (1999: nil).

No trustee, or person related or connected by business to them has received any remuneration from the trust during the year. (1999: £nil)

During the year there were no expenses reimbursed to the trustees (1999: £nil).

5. TAXATION

The trust is a registered charity and does not trade for tax purposes. It is not liable to corporation tax on its surplus.

6. INCOMING RESOURCES

Due to an understatement of interest in the previous year, £71,846 of interest has been included in the 2000 bank deposit interest (gross) amount.

7. DEBTORS

	2000	1999
	£	£
Other debtors and accrued income	-	460,000

**THE LAW SOCIETY CHARITY
NOTES TO THE ACCOUNTS
Year ended 5 April 2000**

8. CREDITORS

	2000 £	1999 £
Amounts due to the Law Society	1,126,216	1,024,903

9. CHARITABLE COMMITMENTS

In addition to the grants authorised by the Trustee in respect of the year, the following grants have been authorised by the Trustee in respect of the year ending 5 April 2001 and future years. These amounts are not included in the Statement of Financial Activities.

	£
Solicitors Pro-Bono Group	45,000
Solicitors Benevolent Association	73,500
The Citizenship Foundation	10,000
Galleries of Justice	72,500
Royal National Institute for the Blind	3,675
Rahere Association	3,150
Royal National Institute for the Deaf	2,100
British Legion Poppy Appeal	2,100
	<u>212,025</u>