



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

Report and Financial Statements

5 April 1996

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





REPORT AND FINANCIAL STATEMENTS 1996

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DIRECTORS' REPORT

The directors present their financial statements for the year ended 5 April 1996, which were approved by the Board on 8 May 1996.

CONSTITUTION

The company was incorporated, as a company limited by Guarantee and not having a share capital, on 22 November 1974. 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 is regarded by the directors as the ultimate parent undertaking.

PRINCIPAL ACTIVITIES OF THE COMPANY

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 STATEMENT

The company did not trade during the year; the balance sheet at 5 April 1996 is attached.

In addition, there are attached to this report the audited financial statements of The Law Society Charity for the year ended 5 April 1996.

DIRECTORS

G W Staple	(Chairman and Managing Director)
J A J Aucott	
R W Henchley	
M S Howells	
J A Holland	(resigned 19 October 1995)
M H Sheldon	
R C Elly	(appointed 8 June 1995)

The Articles of Association provide that one-third of the directors shall retire at the Annual General Meeting in each year. J A J Aucott and R W Henchley retire and being eligible offer themselves for re-election.

M H Sheldon has given notice that he will resign from the Board at the Annual General Meeting.

DIRECTORS' EMOLUMENTS

No director received any remuneration for services as director during the year covered by this report.

DIRECTORS' REPORT

AUDITORS

On 1 February 1996 our auditors changed the name under which they practise to Deloitte & Touche and, accordingly, have signed their report in their new name. 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



J C Hern

Secretary

25 April 1996

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 profit or loss 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. 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.



Chartered Accountants

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

Telephone: National 0171 936 3000
International + 44 171 936 3000
Telex: 884739 TRLNDN G
Fax (Gp. 3): 0171 583 8517
LDE: DX 599

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

We have audited the financial statements on page 4.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. 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 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 1996 and of the result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

DELOITTE & TOUCHE

Chartered Accountants and Registered Auditors

8 May 1996

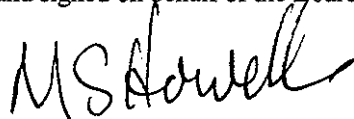
THE LAW SOCIETY TRUSTEES LIMITED

Balance Sheet

5 April 1996

The Company has neither assets nor liabilities.

The financial statements were approved by the Board of The Law Society Trustees Limited on 25 April 1996 and signed on behalf of the Board by



M S HOWELLS }

 } Directors

R W HENCHLEY }

Note to the Accounts

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 are borne by the Law Society.

**THE LAW SOCIETY CHARITY (Registered Charity No. 268736)****ANNUAL REPORT OF THE LAW SOCIETY CHARITY 1995/96****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 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:

1. The Law Society for educational purposes.
2. Legal research of particular value.
3. The promotion of a greater understanding of the law.
4. Charities concerned with the provision of advice, counselling and mediation services connected with the law.
5. Charitable activity in memory of people connected with the law.
6. The welfare directly or indirectly of solicitors, trainee solicitors, other legal staff, Law Society staff and their families who are in need.
7. Other charitable activities which, in the opinion of the Board, are in the furtherance of the law or justice.
8. In exceptional circumstances, to the general public benefit.



REVIEW OF FINANCIAL TRANSACTIONS AND POSITION

During the year the Charity received donations under deed of covenant and Gift Aid from the Law Society of £2,030,000 (gross). 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 of £2,100,000 to the Law Society for educational purposes including the Library. Awards were also made of £60,000 to the Solicitors Benevolent Association, £36,000 to the Citizenship Foundation, £30,000 to Justice, £9,000 to the Galleries of Justice and £5,000 to the Institute of Advanced Legal Studies for the Chair of Legal Practice. In addition to the donations received for the Senior Research Fellowship in Company and Commercial Law, £16,650 was also paid to the Institute out of the General Fund. Several other smaller awards were made of £2,500 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 the Institute of Advanced Legal Studies and the Citizenship Foundation 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

The Trustee has responsibility for the preparation of financial statements of The Law Society Charity for each financial year which give a true and fair view of the state of affairs of the Charity as at the end of the financial year and of the profit or loss of the Charity for that period. In preparing those financial statements the Trustee has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- caused the preparation of the financial statements on a going concern basis.

The Trustee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity. 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.



Chartered Accountants

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AUDITORS' REPORT TO THE TRUSTEE OF THE LAW SOCIETY CHARITY

We have audited the financial statements on pages 8 to 10 which have been prepared under the accounting policies set out on page 10.

Respective responsibilities of trustee and auditors

As described above the Trustee is responsible for the preparation of financial statements. 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 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 state of the Charity's affairs at 5 April 1996 and of its deficit for the year then ended and comply with the terms of the Charitable Trust Deed made between The Law Society Charity and the Law Society Trustees Limited on 11 December 1974.

DELOITTE & TOUCHE

Chartered Accountants and Registered Auditors

14 May 1996


**THE LAW SOCIETY TRUSTEES LIMITED AND
THE LAW SOCIETY CHARITY**
**THE LAW SOCIETY CHARITY
INCOME AND EXPENDITURE ACCOUNT
for the year ended 5 April 1996**

	Note	General fund 1996 £	Restricted fund 1996 £	Total 1996 £	Total 1995 £
INCOME - CONTINUING OPERATIONS					
Donation under deeds of covenant (gross) and Gift Aid					
The Law Society		2,030,000	-	2,030,000	1,780,000
The Law Society Property Services Limited	3	-	-	-	50,000
Other donors		-	22,250	22,250	36,750
		2,030,000	22,250	2,052,250	1,866,750
Bank deposit interest (gross)		29,351	-	29,351	30,772
		2,059,351	22,250	2,081,601	1,897,522
EXPENDITURE					
Grants					
The Law Society for educational purposes		2,100,000	-	2,100,000	1,500,000
The Citizenship Foundation		36,000	-	36,000	36,000
Justice		30,000	-	30,000	-
Institute of Advanced Legal studies		5,000	-	5,000	5,000
Senior Research Fellowship		-	28,400	28,400	34,450
Galleries of Justice		9,000	-	9,000	8,000
Sundry Grants		10,000	-	10,000	31,000
Donations (including Solicitors Benevolent Association)		64,000	-	64,000	59,300
		2,254,000	28,400	2,282,400	1,673,750
Auditors' remuneration		440	-	440	440
Sundry expenses		18	-	18	166
Value added tax irrecoverable		77	-	77	77
		2,254,535	28,400	2,282,935	1,674,433
(DEFICIT)/SURPLUS		(195,184)	(6,150)	(201,334)	223,089
TRANSFERRED TO RESTRICTED FUND		(16,650)	16,650	-	-
(DEFICIT)/SURPLUS TRANSFERRED TO FUND		(211,834)	10,500	(201,334)	223,089
Balance at 6 April		477,706	11,750	489,456	266,367
Deficit/surplus for the year		(211,834)	10,500	(201,334)	223,089
Balance at 5 April		265,872	22,250	288,122	489,456

There are no recognised gains or losses or other movements in the funds for the current financial year or the preceding financial year other than as stated in the income and expenditure account and, accordingly, no statement of recognised gains and losses has been prepared.

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

**THE LAW SOCIETY CHARITY
BALANCE SHEET
At 5 April 1996**

	General fund 1996 £	Restricted fund 1996 £	Total 1996 £	Total 1995 £
CURRENT ASSETS				
Bank balances	267,879	22,250	290,129	492,330
Less:				
CURRENT LIABILITIES				
Bank overdraft	-	-	-	1,384
Creditors	2,007	-	2,007	1,490
	<u>2,007</u>	<u>-</u>	<u>2,007</u>	<u>2,874</u>
NET CURRENT ASSETS	<u>265,872</u>	<u>22,250</u>	<u>288,122</u>	<u>489,456</u>
FUNDS	<u>265,872</u>	<u>22,250</u>	<u>288,122</u>	<u>489,456</u>

Approved by The Law Society Trustees Limited on 25 April 1996 and signed for and on behalf of The Law Society Trustees Limited - the Trustee:

M S Howells

M S HOWELLS

R W Henchley

R W HENCHLEY

)
)
) Directors
)
)

**THE LAW SOCIETY CHARITY
NOTES ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 1996**

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.

3. THE LAW SOCIETY PROPERTY SERVICES LIMITED

The Charity, under deed of covenant with The Law Society Property Services Limited, receives an amount equal to the Company's taxable profits. The Company has paid £nil (1994: £50,000) in respect of the year ended 31 December 1995. If the agreed taxable profits are lower than this amount, the Charity will refund the excess to the Company.



COMPANIES HOUSE

Please address any reply to MR G. DAVIES

If you need to contact us regarding
this reminder, please quote reference

THE DIRECTORS
LAW SOCIETY TRUSTEES LIMITED (THE)
113 CHANCERY LANE
IN GREATER LONDON
WC2A 1PL

REM2A/ 01191460

Date: 28 NOVEMBER 1996

COMPANIES ACT 1985

The Registrar of Companies reminds you that

Accounts for this company for the period

6/ 4/95 to 5/ 4/96

must be delivered to Companies House no later than

5/ 2/97

The accounts are required whether or not the company has traded. This is explained in the enclosed guidance notes.

If the accounts are delivered late automatic financial penalties will be payable. Failure to file on time is also a criminal offence for which you may be prosecuted.

Should you have difficulty filing the accounts call us now! We are here to help and advise.

If the company is no longer in business or operation and is not required please let us know straight away.

Remember - don't wait until after the filing deadline before you do something.

COMPANIES HOUSE
CARDIFF
CF4 3UZ

Tel: Cardiff (01222) 380226

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