



The Law Society

THE LAW SOCIETY TRUSTEES LIMITED

COMPANY NUMBER: 01191460

FINANCIAL STATEMENTS
YEAR ENDED 5 APRIL 2016

SATURDAY



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16/07/2016

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COMPANIES HOUSE

COMPANY INFORMATION

Directors: The following persons served as directors throughout the year (except as noted) and to the date of this report:

YD	Brown
SJM	Chandler
CH	Digby-Bell
JB	Egan
ENJ	Evans
B	Forrester (joined 15.04.15)
MG	Fowler
C	Grenyer (resigned 07.07.15)
N	Manning (joined 15.04.15)
MR	Mathews
DM	Merkel
J	Perry (joined 15.04.15)
B	Rigby
GGM	Sandercock
A	Stanley

Company secretary: AW Dobson

Registered office: 113 Chancery Lane
London
WC2A 1PL

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REPORT OF THE DIRECTORS

The directors present their report together with the financial statements for the year ended 5 April 2016.

RESULTS AND PRINCIPAL ACTIVITIES

The company has not traded during the financial year and accordingly no statement of financial activities is attached.

DIRECTORS

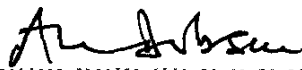
The directors of the company during the year were:

YD	Brown
SJM	Chandler
CH	Digby-Bell
JB	Egan
ENJ	Evans
B	Forrester (joined 15.04.15)
MG	Fowler
C	Grenyer (resigned 07.07.15)
N	Manning (joined 15.04.15)
MR	Mathews
DM	Merkel
J	Perry (joined 15.04.15)
B	Rigby
GGM	Sandercock
A	Stanley

In preparing this directors' report advantage has been taken of the small companies' exemption under the Companies Act 2006.

By order of the board

AW Dobson [Secretary]:



Date:

12.7.16

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 5 APRIL 2016

During the year, the company acted as a trustee but it did not undertake any transactions as a principal.

The company did not trade during the current or preceding period and accordingly no statement of financial activities has been prepared. The company made neither a profit nor a loss and had no other recognised gains or losses.

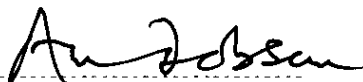
BALANCE SHEET AS AT 5 APRIL 2016

	2016	2015
	£	£
ASSETS		
No assets	-	-
	<hr/>	<hr/>
CAPITAL & RESERVES		
No share capital; limited by guarantee	-	-
	<hr/>	<hr/>

- (a) The directors have taken advantage of the exemption conferred by section 480 of the Companies Act 2006 not to have these financial statements audited;
- (b) The directors confirm that the members have not required the company to obtain an audit of its financial statements for the financial year ended 05 April 2016 in accordance with section 476 of the Companies Act 2006;
- (c) The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements; and
- (d) These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board of Directors and authorised for issue on 12th July 2016

AW Dobson [Secretary]:



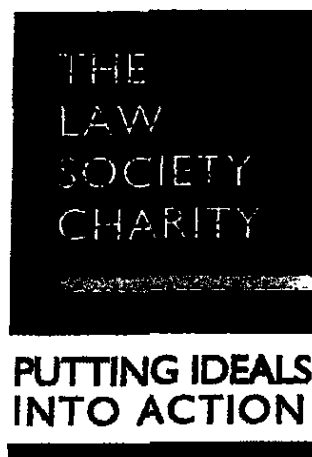
The note on page 5 form part of the financial statements.

THE LAW SOCIETY TRUSTEES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 SHARE CAPITAL

The company has no share capital being private and limited by guarantee.



THE LAW SOCIETY CHARITY
REGISTERED CHARITY NUMBER: 268736

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2016

REFERENCE AND ADMINISTRATIVE DETAILS

Trustee: The Law Society Trustees Limited (the "Trustee")

The following persons served as directors throughout the year and to the date of this report:

YD Brown
SJM Chandler [Council member]
CH Digby-Bell [Council member]
JB Egan (Chair) [Council member]
ENJ Evans
B Forrester (joined at meeting of 15 April 2015) [Council member]
MG Fowler (Retired from council 09 July 2015 remains a member)
C Grenyer (Resigned 07 July 2015)
N Manning (joined at meeting of 15 April 2015) [Council member]
MR Mathews
DM Merkel [Council member]
J Perry (joined at meeting of 15 April 2015) [Council member]
B Rigby
GGM Sandercock
A Stanley

Registered office: 113 Chancery Lane
London
WC2A 1PL

Operating address: 113 Chancery Lane
London
WC2A 1PL

Independent Auditors: PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
No 1 Embankment Place
London
WC2N 6RH

Bankers: Barclays Bank Plc
Level 27
1 Churchill Place
London
E14 5HP

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TRUSTEE'S REPORT

The Trustee is responsible, under its duty of stewardship, to prepare and present its Annual Report and the audited Financial Statements of the Charity for the year ended 5 April 2016. The chairman of the Trustee fulfils this duty by approving the statements on behalf of the Trustee.

Structure, governance and management

The Charity was created by a Trust Deed dated 11 December 1974 made between the Law Society of England and Wales (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:

- o the continuation and furtherance of legal education and the acquisition of legal knowledge by any charitable means;
- o the College of Law incorporated under the Companies Act 1948 and any other similar institution or body being itself a registered charity;
- o 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;
- o the discharge from time to time of such of the charitable obligations (if any) imposed upon the Law Society by Statute or otherwise as may be within the scope of the Trusts.

The Board must have at least five members and no more than twenty. In the year there was one council member that retired from Law Society Council as at 9 July 2015 but has remained on the board and one member who resigned on 7 July 2015 at the Trustee AGM. There have also been three new members making fifteen members as at 5 April 2016, made up of eight Council members and six non-Council members.

Company secretarial, finance and administration support is provided by Law Society staff.

Recruitment and training of Board trustees

When a vacancy for a Council Member trustee needs to be filled, all Law Society Council Members are invited to apply to be appointed and sent details of the aims and objectives of the Charity, a job description of the role and a person specification. Candidates are interviewed by the Chair and one other trustee, with a view to a final recommendation being made to the next meeting of the Board.

When a vacancy for a non-Council Member trustee arises, an advertisement is placed in appropriate publications, such as the *Gazette* and interested parties are asked to complete an application form and the application forms are short listed by a panel of current board members, including the Chair and the Company Secretary, then interviewed. The successful candidate(s) are informed that their appointment to the Board will be recommended at the next Board meeting, where the final decision is taken.

Upon formal confirmation of a new trustee's appointment, they are sent copies of the Memorandum of Association, the Articles of Association and the Trust Deed.

Equality and diversity training is provided for all trustees who have not already received it in their capacity as Council members.

TRUSTEE'S REPORT (continued)

Risk management

The Trustee regularly assesses the risks to which the Charity is exposed. Members of its Board are satisfied that the systems in place manage the exposure to major risk.

Related parties and connected organisations

There are no issues regarding related parties and connected organisations. At each Trustee meeting individuals must make a declaration of interest where necessary and take no part in any matter arising in connection with this interest.

Objectives and activities

The Charity is essentially a grant making charity. The Board of the Trustee regularly reviews the outline aims and objectives of the Charity, which are:

1. supporting the education of the public in legal matters and members of the profession in the interests of the public, in particular by assisting in the maintenance of high standards of general legal education in the profession;
2. supporting charities whose principal aims are to support members of the profession in need;
3. seeking out and supporting, whether in partnership with others or alone:
 - i. major charitable projects which will be supported by Local Law Societies and groups (and other means of outreach);
 - ii. joint ventures with other charities, particularly with the charitable arms of firms of solicitors;
4. supporting charitable work done internationally to promote human rights, such as assistance in the development of law, general promotion of legal education and pro bono assistance for people facing capital punishment;
5. in exceptional cases, responding to ad hoc applications for support from other charitable organisations whose work redounds to the credit of the profession, but generally not those with narrow geographical limits;
6. to focus on the needs of those unable to obtain funding elsewhere, rather than those with established and significant income streams.

In fulfilling these aims and objectives the Board will recognise and, where appropriate, act to promote the particular needs of excluded, under-represented or disadvantaged groups.

The Board will regularly review its policy relating to publicity for its actions, and will publicise its strategies with a view to increasing awareness of it and of its work in the profession and in the general public.

The Board of the Trustee has had due regard to the Charity Commission's general guidance on public benefit.

TRUSTEE'S REPORT (continued)

Financial Review of achievements and performance

The Charity was able to make a number of grants and donations during the year in pursuit of its objects for the public benefit. Some of the larger awards made were:

£ 20,000	Uganda Legal Action Centre for Minors – known as the Patongo Project
£ 12,500	Caravana Colombia
£ 12,000	Cape Town University

Further smaller awards of £7,500 or less were made in the year totalling £82,000.

At the same time as the £25,000 grant being paid last year to the Uganda Legal Action Centre for Minors, the Trustees agreed to make available a further £20,000 in July 2015. This was dependent upon a satisfactory report being submitted concerning the utilisation of the first grant. Such a satisfactory report has been received, and accordingly arrangements are being made for the payment of the further £20,000.

There has been a payment against the Diversity Access Scheme of £40,000 (2015: nil)

Plans for the future

The Charity is seeking to resolve the issue of long term funding with the Law Society to enable it to continue its work.

Investment policy

The charity invests its reserves with Barclays Wealth and Investment Management as it allows easy access to funds when grants are made as well as any growth income earned accumulating within the portfolio.

Reserves policy

It is not the aim of the Charity to accumulate large cash balances; however, it has sufficient funds to meet its commitments to further funding. Total reserves stand at £398,698 (2015: £524,114) of which unrestricted reserves is £312,275 (2015: £397,691) and designated £86,423 (2015: £126,423). It is the aim of the Charity to continue to make grants and donations within its objects and policies according to the income it receives.

Independent auditors

PricewaterhouseCoopers LLP continue to be the Charity's auditors for the 2016 financial statements.

TRUSTEE'S RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Trustee is responsible for preparing the Trustee's Annual Report and the Financial Statements in accordance with the accounting policies as set out in note 1 to the accounts.

Law applicable to charities in England & Wales requires the charity trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming income and application of resources of the charity for that period. In preparing these financial statements, the trustee is required to:

- o select suitable accounting policies and then apply them consistently;
- o observe the methods and principles in the applicable Financial Reporting Standards for Small Entities (FRSSE);
- o make judgements and estimates that are reasonable and prudent;
- o state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- o 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 that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ascertain that the financial statements comply with the provisions of the charity's Trust deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities published on 16 April 2014.

The Trustee is 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.

The Trustee is responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Board of the Trustee:



JB Egan
Chairman, Board of the Trustee

Date: 12 July 2016

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF THE LAW SOCIETY CHARITY

Report on the annual financial statements

Our opinion

In our opinion, The Law Society Charity's financial statements ("the financial statements"):

- give a true and fair view of the state of the charity's affairs as at 5 April 2016 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of section 144 of the Charities Act 2011 and Regulation 8 of The Charities (Accounts and Reports) Regulations 2008).

What we have audited

The financial statements, included within the Annual Report and Financial Statements for the year ended 5 April 2016 (the "Annual Report"), comprise:

- the balance sheet as at 5 April 2016;
- the statement of financial activities for the year then ended;
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising The Financial Reporting Standard for Smaller Entities (the FRSE) and the applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Other matters on which we are required to report by exception

Sufficiency of accounting records and information and explanations received

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Other information in the Annual Report

Under the Charities Act 2011 we are required to report to you if, in our opinion the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the trustees

As explained more fully in the Trustee's Responsibilities in Relation to the Financial Statements set out on page 6, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF THE LAW SOCIETY CHARITY

Report on the annual financial statements (continued)

This report, including the opinions, has been prepared for and only for the charity's trustee as a body in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act (Regulation 24 of The Charities (Accounts and Reports) Regulations 2008) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

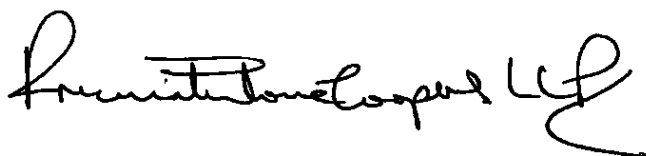
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the trustees; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the trustee's judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

Date **7 OCTOBER 2016**

PricewaterhouseCoopers LLP is eligible to act, and has been appointed, as auditor under section 144(2) of the Charities Act 2011.

THE LAW SOCIETY CHARITY

**THE LAW SOCIETY CHARITY
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 5 APRIL 2016**

	NOTE	UNRESTRICTED FUNDS	TOTAL FUNDS 2016	TOTAL FUNDS 2015
		£	£	£
INCOME				
<i>Incoming resources</i>				
Donations and legacies	2	39,716	39,716	54,275
Income from investments		1,773	1,773	1,888
Total income		<u>41,489</u>	<u>41,489</u>	<u>56,163</u>
EXPENDITURE				
<i>Expenditure on charitable activities</i>				
Grant payments	3	166,530	166,530	87,630
Governance costs		375	375	375
Total expenditure		<u>166,905</u>	<u>166,905</u>	<u>88,005</u>
NET MOVEMENT IN FUNDS		(125,416)	(125,416)	(31,842)
<i>Reconciliation of funds</i>				
Total funds brought forward	7	<u>524,114</u>	<u>524,114</u>	<u>555,956</u>
Total funds carried forward	7	<u>398,698</u>	<u>398,698</u>	<u>524,114</u>

THE LAW SOCIETY CHARITY

**THE LAW SOCIETY CHARITY
BALANCE SHEET AS AT 5 APRIL 2016**

	NOTE	UNRESTRICTED FUNDS	TOTAL FUNDS 2016	TOTAL FUNDS 2015
		£	£	£
CURRENT ASSETS				
Cash at bank and in hand		443,836	443,836	561,252
TOTAL CURRENT ASSETS		443,836	443,836	561,252
LIABILITIES				
Creditors: amounts falling due within one year	5	45,138	45,138	37,138
NET CURRENT ASSETS	6	398,698	398,698	524,114
TOTAL ASSETS LESS CURRENT LIABILITIES		398,698	398,698	524,114
THE FUNDS OF THE CHARITY				
Unrestricted income funds	7	312,275	312,275	397,691
Designated	7	86,423	86,423	126,423
TOTAL CHARITY FUNDS	8	398,698	398,698	524,114

The notes on pages 11 to 15 all form part of these financial statements.

The financial statements on pages 9 and 10 were approved by the Board of the Trustee and signed on its behalf by:



JB Egan
Chairman, Board of the Trustee

Date: 12 July 2016

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

a BASIS OF PREPARATION AND ASSESSMENT OF GOING CONCERN

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller entities published on 18/07/14, the Financial Reporting Standard for Smaller Entities (FRSSE), and the Charities Act 2011 and applicable regulations.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

b INCOME RECOGNITION: VOLUNTARY INCOME

Voluntary income is received by way of donations and gifts and is included in full in the statement of financial activities when receivable.

c INCOME RECOGNITION: INVESTMENT INCOME

Funds are placed with Barclays Global Investors and the interest earned is recognised upon receipt. The income earned this year remains low due to market forces outside of the control of The Law Society Charity.

d INCOME RECOGNITION: UNCLAIMED CLIENT BALANCES

Solicitors' firms may, under the Solicitors' Accounts Rules, donate to a charity client monies held by them where the client cannot be traced. Approval by the Solicitors Regulation Authority is required where any particular balance to be donated is of or above £500 (2015: £500). In that event the charity must give an indemnity to repay the money if the client later appears.

e EXPENDITURE RECOGNITION: REVENUE GRANTS

Charitable activities include revenue grants debited to the statement of financial activities when authorised and committed to by the Trustee.

f DESIGNATED FUNDS

Designated funds are earmarked for the Law Society Diversity Access Scheme (DAS). The Charity has agreed to manage this fund and make payments on behalf of the DAS as and when required. The DAS aims to provide financial support for talented but disadvantaged people who would not otherwise be able to study towards becoming a lawyer.

g RESOURCES EXPENDED

Resources expended are recognised in the period in which they are incurred and allocated to unrestricted funds. Resources expended on charitable activities include payments made on behalf of the DAS.

h GENERATING FUNDS

Costs of generating funds are incurred on behalf of the charity by the Law Society and not recharged. These costs and the associated donation in kind are not included in the statement of financial activities because their value cannot be reliably estimated.

i GOVERNANCE

The Board of the Law Society Charity convenes to assess all funding applications received and awards grants upon their merits.

j TRUSTEE EMOLUMENTS

All trustees give of their time freely and no expenses have been paid by the charity to the trustees as such costs are met by the Law Society.

k SUPPORT AND GOVERNANCE COSTS

The Charity benefits from centralised services and facilities provided by the Law Society which includes payment of trustees emoluments, accounting administration, treasury management and fundraising activities which are not recharged to the Charity. These costs and the associated

NOTES TO THE FINANCIAL STATEMENTS (continued)

ACCOUNTING POLICIES (continued)

donation in kind are not included in the statement of financial activities because their value cannot be reliably estimated.

! CHARITABLE ACTIVITIES

The expenditure on charitable activities relates to grants made in the year.

THE LAW SOCIETY CHARITY

NOTES TO THE FINANCIAL STATEMENTS (continued)

2 INCOME

INCOME: DONATIONS AND LEGACIES

	2016	2015
	£	£
Donations	418	188
Unclaimed client balances	<u>39,298</u>	<u>54,087</u>
	<u>39,716</u>	<u>54,275</u>

3 EXPENDITURE

**EXPENDITURE ON CHARITABLE ACTIVITIES:
GRANT PAYMENTS**

	2016	2015
	£	£
Diversity Access Scheme	40,000	-
General fund	<u>126,530</u>	<u>87,630</u>
	<u>166,530</u>	<u>87,630</u>