



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

Report and Financial Statements

5 April 1998

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



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**REPORT AND FINANCIAL STATEMENTS 1998**

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**DIRECTORS' REPORT**

The directors present their report and audited financial statements for the year ended 5 April 1998.

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 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 1998.

DIRECTORS

The directors who served during the year were:

G W Staple (Chairman)
J A J Aucott
R W Henschley
M S Howells
R C Elly
J N W Dodds
K P Byass (Appointed 5 June 1997)

The Articles of Association provide that one-third of the directors shall retire at the Annual General Meeting in each year. R W Henschley and J A J Aucott 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

D J Judd
Secretary

20 May 1998

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.



Chartered Accountants

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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 1998 and have been properly prepared in accordance with the Companies Act 1985.

DELOITTE & TOUCHE

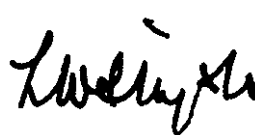
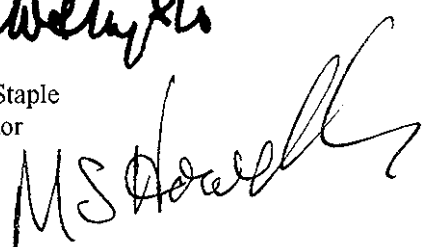
Chartered Accountants and Registered Auditors

20 May 1998

**THE LAW SOCIETY TRUSTEES LIMITED****Balance Sheet****5 April 1998**

The Company has neither assets nor liabilities.

The financial statements were approved by the Board of The Law Society Trustees Limited on 20 May 1998 and signed on behalf of the Board by

23rd April
G W Staple
Director
M S Howells
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 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 1997/98**

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:

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, the 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 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 £61,500 to the Solicitors Benevolent Association, £36,000 to the Citizenship Foundation, £10,000 to the Institute of Advanced Legal Studies for the Senior Research Fellowship, and £5,000 each to the Institute of Advanced Legal Studies for the Chair of Legal Practice, Public Concern at Work, and Amnesty International. Several other smaller awards were made of £3,000 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 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 income and expenditure 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. It 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.



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AUDITORS' REPORT TO THE TRUSTEE OF THE LAW SOCIETY CHARITY

We have audited the financial statements on pages 9 to 11 which have been prepared under the accounting policies set out on page 11.

Respective responsibilities of Trustee and auditors

As described on page 7 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 1998 and of its surplus 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

20 May 1998


**THE LAW SOCIETY CHARITY
STATEMENT OF FINANCIAL ACTIVITIES
Year ended 5 April 1998**

	General fund 1998 £	Restricted fund 1998 £	Total 1998 £	Total 1997 £
INCOME - CONTINUING OPERATIONS				
Donation under deeds of covenant (gross) and Gift Aid:				
The Law Society	2,449,351	-	2,449,351	1,940,000
Other donors	-	13,750	13,750	22,770
	<u>2,449,351</u>	<u>13,750</u>	<u>2,463,101</u>	<u>1,962,770</u>
Bank deposit interest (gross)	92,106	-	92,106	27,799
	<u>2,541,457</u>	<u>13,750</u>	<u>2,555,207</u>	<u>1,990,569</u>
EXPENDITURE				
Grants:				
The Law Society for educational purposes	1,800,000	-	1,800,000	1,900,000
The Citizenship Foundation	36,000	-	36,000	36,000
Justice	3,000	-	3,000	-
Institute of Advanced Legal studies	5,000	-	5,000	5,000
Senior Research Fellowship	-	-	-	32,515
Law Centres Federation	3,000	-	3,000	-
Seldon Council	2,000	-	2,000	-
Peter Taylor Appeal	2,000	-	2,000	-
Amnesty International	5,000	-	5,000	-
Public Concern at Work	5,000	-	5,000	-
Reunite	3,000	-	3,000	-
Legal Action Group	-	-	-	5,000
Public Concern at Work	-	-	-	5,000
Sundry Grants	3,035	-	3,035	15,700
Donations (including Solicitors Benevolent Association)	70,000	-	70,000	66,500
	<u>1,937,035</u>	<u>-</u>	<u>1,937,035</u>	<u>2,065,715</u>
Other expenditure:				
Provision for covenant repayment	444,000	-	444,000	-
Auditors' remuneration	440	-	440	440
Sundry expenses	78	-	78	80
Value added tax irrecoverable	77	-	77	77
	<u>2,381,630</u>	<u>-</u>	<u>2,381,630</u>	<u>2,066,312</u>
TOTAL EXPENDITURE FOR THE YEAR	<u>2,381,630</u>	<u>-</u>	<u>2,381,630</u>	<u>2,066,312</u>
TOTAL INCOME LESS EXPENDITURE	159,827	13,750	173,577	(75,743)
TRANSFERRED TO RESTRICTED FUND	(10,000)	10,000	-	-
SURPLUS / (DEFICIT) TRANSFERRED TO FUND	149,827	23,750	173,577	(75,743)
Balance of Fund at beginning of the year	198,629	13,750	212,379	288,122
Balance of Fund at end of the year	<u>348,456</u>	<u>37,500</u>	<u>385,956</u>	<u>212,379</u>

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 CHARITY
BALANCE SHEET
5 April 1998**

	General fund 1998 £	Restricted fund 1998 £	Total 1998 £	Total 1997 £
CURRENT ASSETS				
Bank balances	3,111,746	37,500	3,149,246	714,903
CURRENT LIABILITIES				
Creditors	(2,763,290)	-	(2,763,290)	(502,524)
NET CURRENT ASSETS	<u>348,456</u>	<u>37,500</u>	<u>385,956</u>	<u>212,379</u>
FUNDS	<u>348,456</u>	<u>37,500</u>	<u>385,956</u>	<u>212,379</u>

Approved by The Law Society Trustees Limited on ^{23rd} April 1998 and signed for and on behalf of The Law Society Trustees Limited - the Trustee:

GW Staple

G W STAPLE

Director

MS Howells

M S HOWELLS

Director

**THE LAW SOCIETY CHARITY
NOTES TO THE ACCOUNTS
Year ended 5 April 1998****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. 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.