



**THE LAW SOCIETY CHARITY**  
REGISTERED CHARITY NUMBER: 268736

FINANCIAL STATEMENTS  
YEAR ENDED 5 APRIL 2011

## LEGAL AND ADMINISTRATIVE DETAILS

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

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

SJM	Chandler	
JNW	Dodds (Chair)	
ENJ	Evans	
M	Fowler	
C	Grenyer	
MR	Mathews	
DM	Merkel	
B	Rigby	
GGM	Sandercock	
HA	Siddle	resigned 13.07.10
A	Stanley	
RMC	Venables	

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 28  
1 Churchill Place  
London  
E14 5HP

**CONTENTS**

TRUSTEE'S REPORT .....	3
STATEMENT OF TRUSTEE'S RESPONSIBILITIES .....	6
INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF THE LAW SOCIETY CHARITY .....	7
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 5 APRIL 2011.....	8
BALANCE SHEET AS AT 5 APRIL 2011 .....	9
NOTES TO THE FINANCIAL STATEMENTS .....	10

## TRUSTEE'S REPORT

The Trustee presents their report and the audited financial statements of the Charity for the year ended 5 April 2011

### 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:

- the continuation and furtherance of legal education and the acquisition of legal knowledge by any charitable means;
- the College of Law incorporated under the Companies Act 1948 and any other similar institution or body being itself a registered charity;
- 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;
- 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. As at 5 April 2011, there were eleven members, made up of four Council members and seven 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 arises, a standard letter is sent to all Law Society Council Members asking for their expressions of interest in the vacancy. If more than one expression of interest is received then applicants are asked to complete a standard Board vacancy application form. This application form, together with the original expression of interest is presented to the Board at the next meeting for consideration.

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.

The Company Secretary holds an induction meeting for each new trustee.

Equality and diversity training is provided for all trustees.

## **TRUSTEE'S REPORT**

### **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. exploring 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

### 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:

£100,000	LawCare
£ 79,950	The Citizenship Foundation
£ 30,000	British & Irish Legal Information Institute
£ 13,320	City of Westminster & Holborn Law Society
£ 10,000	Law Society / University of Essex Symposium on Human Rights
£ 10,000	Peace Brigades International UK
£ 10,000	2011 Commonwealth Law Conference

Further smaller awards of £10,000 or less were made in the year totalling £30,100.

### Plans for future periods

The Charity intends to continue its charitable activities but has been working closely with the Law Society to agree longer term funding.

### 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. 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 Fund's auditors for the 2011 accounts.

Approved by the Board of the Trustee:



**JNW Dodds**  
Chairman, Board of the Trustee

Date: 12 July 2011

## STATEMENT OF TRUSTEE'S RESPONSIBILITIES

The Trustee is responsible for preparing the Trustee's Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 enable them to ascertain that the financial statements comply with the Charities Act 1993, as amended by the Charities Act 2006, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed.

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.

So far as the Trustee is aware at the time the report is approved:

- there is no relevant audit information of which the Charity's auditors are unaware;
- the Trustee has taken all steps that they ought to have taken to make itself aware of any relevant audit information and to establish that the auditors are aware of that information.

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

We have audited the financial statements of The Law Society Charity for the year ended 5 April 2011 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

### Respective responsibilities of trustees and auditors

As explained more fully in the Statement of trustee's responsibilities set out on page 6, the trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the charity's trustees as a body in accordance with 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.

### Scope of the audit of the financial statements

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. In addition, we read all the financial and nonfinancial information in the financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 5 April 2011, and of its incoming resources and application of resources and cash flows, 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 the Charities Act 1993.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 1993 requires us 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; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

Date: 11.7.2011

PricewaterhouseCoopers LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006



STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 5 APRIL 2011

	NOTE	RESTRICTED	UNRESTRICTED	TOTAL 2011	TOTAL 2010
		£	£	£	£
INCOMING RESOURCES					
Incoming from generated funds					
Voluntary income	2	-	14,194	14,194	10,848
Investment income		-	3,911	3,911	5,679
Total incoming resources		-	18,105	18,105	16,527
RESOURCES EXPENDED					
Cost of generating funds					
Charitable activities	3	42,647	291,870	334,517	490,620
Governance costs		-	592	592	519
Total resources expended		42,647	292,462	335,109	491,139
NET OUTGOING RESOURCES		(42,647)	(274,357)	(317,004)	(474,612)
Reconciliation of funds					
Total funds b/f	10	42,647	866,626	909,273	1,383,885
Total funds c/f	10	-	592,269	592,269	909,273

All of the above results are derived from continuing activities;

There were no other recognised gains or losses other than those stated above.

**BALANCE SHEET AS AT 5 APRIL 2011**

	NOTE	2011	2010
		£	£
<b>CURRENT ASSETS</b>			
Debtors	6	23,775	23,775
Cash and cash equivalents		601,972	965,120
		<u>625,747</u>	<u>988,895</u>
<b>CURRENT LIABILITIES</b>			
Creditors: due < one year	7	(33,478)	(60,144)
		<u>(33,478)</u>	<u>(60,144)</u>
<b>NET CURRENT ASSETS</b>	9	<b>592,269</b>	<b>928,751</b>
<b>LONG-TERM LIABILITIES</b>			
Creditors: due > one year	8	-	(19,478)
		<u>-</u>	<u>(19,478)</u>
<b>TOTAL ASSETS</b>		<b>592,269</b>	<b>909,273</b>
		<u><u>592,269</u></u>	<u><u>909,273</u></u>
<b>FUNDS</b>			
Restricted funds	10	-	42,647
Unrestricted funds			
General	10	497,600	823,829
Designated	10	94,669	42,797
		<u>592,269</u>	<u>866,626</u>
<b>TOTAL CHARITY FUNDS</b>		<b>592,269</b>	<b>909,273</b>
		<u><u>592,269</u></u>	<u><u>909,273</u></u>

The financial statements were approved by the Board of the Trustee:



**JNW Dodds**  
Chairman, Board of the Trustee

Date: 12 July 2011

## NOTES TO THE FINANCIAL STATEMENTS

### 1 ACCOUNTING POLICIES

#### a BASIS OF ACCOUNTING

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with The Charities Act 1993 and applicable United Kingdom accounting standards. They follow the recommendations in the Statement of Recommended Practice: *Accounting & Reporting by Charities* (SORP 2005).

#### b 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 INVESTMENT INCOME

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

#### d 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 above £50, and in that event the charity must give an indemnity to repay the money if the client later appears.

#### e REVENUE GRANTS

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

#### f RESTRICTED FUNDS

All the restricted funds allocated to the Zimbabwe appeal have been paid over by the end of the year.

#### g 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.

#### h RESOURCES EXPENDED

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

i 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.

j GOVERNANCE

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

The Charity benefits from centralised services and facilities provided by the Law Society which includes accounting administration, treasury management and fundraising activities which are not recharged to the Charity. These costs and the associated donation in kind are not included in the statement of financial activities because their value cannot be reliably estimated.

2 INCOMING RESOURCES

VOLUNTARY INCOME COMPRISES:

	2011 £	2010 £
Designated fund	1,358	2,074
General fund	12,836	8,774
	<u>14,194</u>	<u>10,848</u>

DESIGNATED FUND: VOLUNTARY INCOME

	2011 £	2010 £
Donations	1,358	2,074
	<u>1,358</u>	<u>2,074</u>

GENERAL FUND: VOLUNTARY INCOME

	2011 £	2010 £
Donations	857	4,698
Unclaimed client balances	11,979	4,076
	<u>12,836</u>	<u>8,774</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 3 RESOURCES EXPENDED

CHARITABLE ACTIVITIES COMPRISE:	2011	2010
	£	£
Restricted fund	42,647	37,671
Designated fund	9,500	24,794
General fund	282,370	428,155
	<hr/>	<hr/>
	334,517	490,620
	<hr/>	<hr/>

RESTRICTED FUND: CHARITABLE ACTIVITIES	2011	2010
	£	£
Zimbabwe activities	42,647	37,671
	<hr/>	<hr/>
	42,647	37,671
	<hr/>	<hr/>

DESIGNATED FUND: CHARITABLE ACTIVITIES	2011	2010
	£	£
Liverpool Law Society	-	5,531
Diversity Access Scheme	9,500	19,263
	<hr/>	<hr/>
	9,500	24,794
	<hr/>	<hr/>

## NOTES TO THE FINANCIAL STATEMENTS

3 RESOURCES EXPENDED

GENERAL FUND: CHARITABLE ACTIVITIES	2011	2010
	£	£
Amicus	-	5,000
Association of Muslim Lawyers	-	7,000
Asylum Support Appeal	-	5,000
Bar Human Rights Committee	500	-
Book Aid International	6,600	6,600
British & Irish Legal Information Institute	30,000	20,000
British Institute of Human Rights	-	7,000
Central London Law Centre	-	5,000
City of Westminster and Holborn Law Society	13,320	10,650
Discrimination Law Association	-	1,956
Fair Trials International	5,000	-
Incorporated Council of Law Reporting Mooting Competition	2,000	2,000
Justice	6,000	-
Kurdish Human Rights Project	-	3,000
Law Society / University of Essex Symposium on Human Rights	10,000	10,000
Law Society / Commonwealth Fellowships	-	11,196
LawCare	100,000	128,125
Legal Action Group	-	5,000
Liverpool Law Society	-	5,000
London Advice Services Alliance	-	6,000
MIND	-	5,000
Peace Brigades International UK	10,000	20,000
Prisoners Advice Service	-	5,000
Reprieve	-	30,000
Roma Support Group	5,000	5,000
Shelter	-	9,678
Sign Health	-	20,000
The AIRE Centre	5,000	5,000
The Citizenship Foundation	79,950	79,950
Working Families	-	5,000
Youthnet UK	-	5,000
2011 Commonwealth Law Conference	10,000	-
Law Society - excess grant	(1,000)	-
	<hr/>	<hr/>
	282,370	428,155
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## NOTES TO THE FINANCIAL STATEMENTS

### 4 STAFF COSTS

There were no employees during the year (2010: nil).

Neither the Trustee nor any person related or connected by business to the Trustee has received any remuneration from the Charity during the year (2010: £nil).

### 5 TAXATION

The Charity is exempt from tax as all its income is charitable and is applied for charitable purposes.

### 6 DEBTORS

	2011 £	2010 £
Bursary Fund - re Sheffield University	23,775	23,775
	<u>23,775</u>	<u>23,775</u>

The amount is owed from The Bursary Funds which is a related party entity.

### 7 CREDITORS: AMOUNTS DUE < 1 YEAR

	2011 £	2010 £
Committed charitable activities of general fund	33,478	23,500
Committed charitable activities of restricted fund	-	30,644
	<u>33,478</u>	<u>60,144</u>

### 8 CREDITORS: AMOUNTS DUE > 1 YEAR

	2011 £	2010 £
Committed charitable activities of general fund	-	19,478
	<u>-</u>	<u>19,478</u>

## NOTES TO THE FINANCIAL STATEMENTS

9 ANALYSIS OF TOTAL ASSETS BETWEEN FUNDS

	RESTRICTED FUNDS	UNRESTRICTED FUNDS	TOTAL FUNDS
	£	£	£
Net current assets	-	592,269	592,269
	-	592,269	592,269

10 MOVEMENT IN FUNDS

	BROUGHT FORWARD	INCOMING RESOURCES	OUTGOING RESOURCES	FUND TRANSFER	CARRIED FORWARD
	£	£	£	£	£
<b>RESTRICTED FUNDS</b>					
Assistance to Zimbabwe	42,647	-	(42,647)	-	-
<b>Total restricted funds</b>	42,647	-	(42,647)	-	-
<b>UNRESTRICTED FUNDS</b>					
Designated fund:					
DAS	42,811	1,358	(9,500)	60,000	94,669
Total Designated fund:	42,811	1,358	(9,500)	60,000	94,669
Total General fund	823,815	16,747	(282,962)	(60,000)	497,600
<b>Total unrestricted funds</b>	866,626	18,105	(292,462)	-	592,269
<b>TOTAL FUNDS</b>	909,273	18,105	(335,109)	-	592,269