

THE
LAW
SOCIETY
CHARITY

PUTTING IDEALS
INTO ACTION

THE LAW SOCIETY CHARITY
REGISTERED CHARITY NUMBER: 268736

FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2013

LEGAL 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:

SJM Chandler [Council member]
JNW Dodds (Chair) [Council member]
ENJ Evans
M Fowler [Council member]
C Grenyer
MR Mathews
DM Merkel [Council member]
B Rigby
GGM Sandercock
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 27
1 Churchill Place
London
E14 5HP

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TRUSTEE'S REPORT

The Trustee presents its report and the audited financial statements of the Charity for the year ended 5 April 2013.

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. As at 5 April 2013, 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 (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)

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:

| | |
|---------|-------------------------------------|
| £15,000 | Caravana Columbia |
| £10,000 | Peace Brigades International |
| £10,000 | Kent Law Clinic, University of Kent |
| £ 9,500 | African Prisons Project |

Further smaller awards of £7,500 or less were made in the year totalling £56,750.

Bequest

The Charity has been remembered in the will of Mr James Edward Crossman and received £7,352 in the year from his estate (2012: bequest of £255,000). These monies will be used in the fulfilment of the Charity's objectives and aims.

Plans for future periods

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

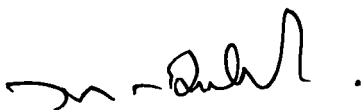
Reserves policy

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 Charity's auditors for the 2013 accounts.

Approved by the Board of the Trustee:



JNW Dodds
Chairman, Board of the Trustee

Date: 9th July 2013.

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 & 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 2011, 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 it 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 2013 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 Trustee and auditors

As explained more fully in the Trustee's Responsibilities Statement set out on page 6, the Trustee is responsible for the preparation of financial statements which 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). 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 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.

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 Trustee; and the overall presentation of the financial statements. In addition, we read all the financial and nonfinancial information in the Trustee's report 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:

- o give a true and fair view of the state of the charity's affairs as at 5 April 2013, and of its incoming resources and application of resources and, for the year then ended;
- o have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- o have been prepared in accordance with the requirements of the Charities Act 2011 and Regulation 8 of The Charities (Accounts and Reports) Regulations 2008.

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 2011 requires us to report to you if, in our opinion:

- o the information given in the Trustee's Annual Report is inconsistent in any material respect with the financial statements; or
- o sufficient accounting records have not been kept; or
- o the financial statements are not in agreement with the accounting records and returns; or
- o we have not received all the information and explanations we require for our audit.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

Date: *9 July 2013*

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

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 5 APRIL 2013

| | NOTE | UNRESTRICTED | TOTAL 2013 | TOTAL 2012 |
|--------------------------------------------|------|-----------------|-----------------|----------------|
| | | £ | £ | £ |
| INCOMING RESOURCES | | | | |
| Incoming from generated funds | | | | |
| Voluntary income | 2 | 34,117 | 34,117 | 271,364 |
| Investment income | | 3,094 | 3,094 | 3,699 |
| Total incoming resources | | <u>37,211</u> | <u>37,211</u> | <u>275,063</u> |
| RESOURCES EXPENDED | | | | |
| Cost of generating funds | | | | |
| Charitable activities | 3 | 101,250 | 101,250 | 140,096 |
| Governance costs | | 375 | 375 | 584 |
| Total resources expended | | <u>101,625</u> | <u>101,625</u> | <u>140,680</u> |
| NET (OUTGOING) / INCOMING RESOURCES | | (64,414) | (64,414) | 134,383 |
| Reconciliation of funds | | | | |
| Total funds b/f | 8 | <u>726,652</u> | <u>726,652</u> | <u>592,269</u> |
| Total funds c/f | 8 | <u>662,238</u> | <u>662,238</u> | <u>726,652</u> |

All of the above results are derived from continuing activities; there were no other recognised gains or losses other than those stated above.

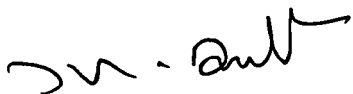
THE LAW SOCIETY CHARITY

BALANCE SHEET AS AT 5 APRIL 2013

| | NOTE | 2013 | | 2012 | |
|----------------------------|------|----------------|----------------|----------------|----------------|
| | | £ | £ | £ | £ |
| CURRENT ASSETS | | | | | |
| Cash and cash equivalents | | 670,716 | | 735,480 | |
| | | <u>670,716</u> | | <u>735,480</u> | |
| CURRENT LIABILITIES | | | | | |
| Creditors: due < one year | 6 | (8,478) | | (8,828) | |
| | | <u>(8,478)</u> | | <u>(8,828)</u> | |
| NET CURRENT ASSETS | 7 | | <u>662,238</u> | | <u>726,652</u> |
| TOTAL ASSETS | | | <u>662,238</u> | | <u>726,652</u> |
| FUNDS | | | | | |
| General | 8 | 535,815 | | 600,229 | |
| Designated | 8 | 126,423 | 662,238 | 126,423 | 726,652 |
| TOTAL CHARITY FUNDS | | | <u>662,238</u> | | <u>726,652</u> |

The notes on pages 10 to 13 all form part of the financial statements.

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



JNW Dodds
Chairman, Board of the Trustee

Date: 9th July 2013

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 2011 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 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 either restricted or 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.

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2 INCOMING RESOURCES

GENERAL FUND: VOLUNTARY INCOME

| | 2013 | 2012 |
|---------------------------|---------------|----------------|
| | £ | £ |
| Bequest | 7,325 | 255,000 |
| Donations | 475 | 1,218 |
| Unclaimed client balances | 26,317 | 15,146 |
| | <u>34,117</u> | <u>271,364</u> |

3 RESOURCES EXPENDED

CHARITABLE ACTIVITIES COMPRISE:

| | 2013 | 2012 |
|-----------------|----------------|----------------|
| | £ | £ |
| Designated fund | - | 28,246 |
| General fund | 101,250 | 111,850 |
| | <u>101,250</u> | <u>140,096</u> |

DESIGNATED FUND: CHARITABLE ACTIVITIES

| | 2013 | 2012 |
|-------------------------|-------------|---------------|
| | £ | £ |
| Diversity Access Scheme | - | 28,246 |
| | <u>-</u> | <u>28,246</u> |

NOTES TO THE FINANCIAL STATEMENTS (continued)

3 RESOURCES EXPENDED (continued)

| GENERAL FUND: CHARITABLE ACTIVITIES | 2013 | 2012 |
|-------------------------------------------------------------------|----------------|----------------|
| | £ | £ |
| African Prisons Project | 9,500 | - |
| Bail for Immigration Detainees | 5,000 | - |
| Book Aid International | 6,600 | 6,000 |
| Caravana Columbia | 15,000 | 12,500 |
| Children's Rights Alliance | 6,000 | - |
| Detention Advice Service | 5,000 | 5,000 |
| Egalitarian Trust | 7,500 | - |
| Fair Trials International | 7,500 | 7,500 |
| Incorporated Council of Law Reporting Mooting Competition | 2,000 | - |
| Peace Brigades International UK | 10,000 | - |
| Prisoners Abroad | 7,500 | 5,000 |
| Prisoners' Advice Service | 5,000 | 5,000 |
| University of Kent – Law Advice Centre | 10,000 | - |
| Working Families | 5,000 | - |
| Zacchaeus 2000 Trust | 7,500 | - |
| Prior year grant written back: Commonwealth Law Conference | (3,850) | - |
| Prior year grant written back: Mooting competition | (4,000) | - |
| Advocates for International Development | - | 8,000 |
| Economic, Social & Cultural Rights UK | - | 10,000 |
| Law Society / University of Essex Symposium on Human Rights | - | (6,150) |
| Liverpool Mombasa Access to Justice Charity | - | 15,000 |
| Personal Support Group | - | 15,000 |
| Roma Support Group | - | 5,000 |
| South London Law Society: grant to establish law centre in Zambia | - | 8,000 |
| UK Lesbian & Gay Immigration Group | - | 5,000 |
| University of Cape Town | - | 3,500 |
| Youthnet UK | - | 7,500 |
| | 101,250 | 111,850 |

4 STAFF COSTS

There were no employees during the year (2012: 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 (2012: £nil).

5 TAXATION

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

6 CREDITORS: AMOUNTS DUE < 1 YEAR

| | 2013 £ | 2012 £ |
|-------------------------------------------------|--------------|--------------|
| Committed charitable activities of general fund | 8,478 | 8,828 |
| | <u>8,478</u> | <u>8,828</u> |

7 ANALYSIS OF TOTAL ASSETS BETWEEN FUNDS

| | RESTRICTED FUNDS £ | UNRESTRICTED FUNDS £ | TOTAL FUNDS £ |
|--------------------|--------------------------|----------------------------|---------------------|
| Net current assets | - | 662,238 | 662,238 |
| | <u>-</u> | <u>662,238</u> | <u>662,238</u> |

8 MOVEMENT IN FUNDS

| | BROUGHT FORWARD £ | INCOMING RESOURCES £ | OUTGOING RESOURCES £ | CARRIED FORWARD £ |
|---------------------------|-------------------------|----------------------------|----------------------------|-------------------------|
| UNRESTRICTED FUNDS | | | | |
| Designated fund: | | | | |
| Diversity Access Scheme | 126,423 | - | - | 126,423 |
| Total Designated fund | <u>126,423</u> | <u>-</u> | <u>-</u> | <u>126,423</u> |
| Total General fund | 600,229 | 37,211 | (101,625) | 535,815 |
| TOTAL UNRESTRICTED | <u>726,652</u> | <u>37,211</u> | <u>(101,625)</u> | <u>662,238</u> |
| TOTAL RESTRICTED | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| TOTAL FUNDS | <u>726,652</u> | <u>37,211</u> | <u>(101,625)</u> | <u>662,238</u> |