

INDEPENDENT AUDITOR'S REPORT

To the Trustee of the Law Foundation Queensland Trust

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report of the Law Foundation Queensland Trust, which comprises the balance sheet as at 30 June 2014, the income statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' of the Trustee Company's declaration.

Trustees' Responsibility for the Financial Report

The directors of Queensland Law Foundation Pty Ltd, as trustee of the Law Foundation Queensland Trust, are responsible for the preparation and fair presentation of the financial report, and have determined that the basis of preparation described in Note 1, is appropriate to meet the requirements of the trust deed and is appropriate to meet the needs of the members. The trustees' responsibility also includes such internal control as the trustees determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the trustees, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

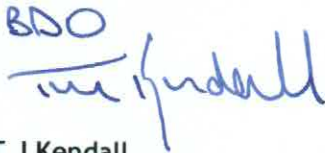
Opinion

In our opinion the financial report presents fairly, in all material respects, the financial position of the Law Foundation Queensland Trust as at 30 June 2014, and its financial performance for the year then ended in accordance with Australian Accounting Standards described in Note 1 and the financial reporting requirements of the trust deed.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the trustees' financial reporting responsibilities under the trust deed. As a result, the financial report may not be suitable for another purpose.

BDO Audit Pty Ltd



T J Kendall
Director

Brisbane, 11 December 2014

**QUEENSLAND LAW FOUNDATION PTY LTD
ATF LAW FOUNDATION QUEENSLAND TRUST**

**FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2014**

**Liability limited by a scheme approved under
Professional Standards Legislation**

**QUEENSLAND LAW FOUNDATION PTY LTD
ATF LAW FOUNDATION QUEENSLAND TRUST**

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**QUEENSLAND LAW FOUNDATION PTY LTD
ATF LAW FOUNDATION QUEENSLAND TRUST**

**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2014**

	Note	2014 \$	2013 \$
Revenue		517,923	527,571
Accountancy expenses		(14,300)	(7,874)
Depreciation and amortisation expenses		(2,677)	(5,361)
Employee benefits expenses		(92,004)	(76,185)
Other expenses		(194,585)	(263,310)
Profit for the year before investment impairment		214,357	174,841
Investment impairment		-	(147,775)
Profit for the year available for distribution		214,357	27,066
Retained earnings at the beginning of the financial year		-	-
Distribution to beneficiaries		214,357	27,066
Trust Capital		(7,300,005)	(7,300,005)
Balance at 30 June 2014		7,300,005	7,300,005
Beneficiary distribution		214,357	27,066
		214,357	27,066

The accompanying notes form part of these financial statements.
These statements should be read in conjunction with the auditor's report.

**QUEENSLAND LAW FOUNDATION PTY LTD
ATF LAW FOUNDATION QUEENSLAND TRUST**

**BALANCE SHEET
AS AT 30 JUNE 2014**

	Note	2014 \$	2013 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		86,272	57,710
Trade and other receivables	2	43,477	33,000
TOTAL CURRENT ASSETS		<u>129,749</u>	<u>90,710</u>
NON-CURRENT ASSETS			
Financial assets	3	8,038,398	8,016,852
Property, plant and equipment	4	3,078	5,755
TOTAL NON-CURRENT ASSETS		<u>8,041,476</u>	<u>8,022,607</u>
TOTAL ASSETS		<u>8,171,225</u>	<u>8,113,317</u>
LIABILITIES			
CURRENT LIABILITIES			
Amounts Withheld		4,770	3,658
Unpaid trust distributions	5	866,440	809,644
TOTAL CURRENT LIABILITIES		<u>871,210</u>	<u>813,302</u>
TOTAL LIABILITIES		<u>871,210</u>	<u>813,302</u>
NET ASSETS		<u>7,300,015</u>	<u>7,300,015</u>
EQUITY			
Settlement Sum		10	10
Retained earnings		7,300,005	7,300,005
TOTAL EQUITY		<u>7,300,015</u>	<u>7,300,015</u>

The accompanying notes form part of these financial statements.
These statements should be read in conjunction with the auditor's report.

**QUEENSLAND LAW FOUNDATION PTY LTD
ATF LAW FOUNDATION QUEENSLAND TRUST**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

1 Statement of Significant Accounting Policies

The financial statements cover Queensland Law Foundation Pty Ltd As Trustee For Law Foundation Queensland Trust as an individual entity. Queensland Law Foundation Pty Ltd As Trustee For Law Foundation Queensland Trust is a trust, established and domiciled in Australia.

Basis of Preparation

The financial statements are special purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board. The trust is a not for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on a cash basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses.

In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present.

The cost of fixed assets constructed within the trust includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

These notes should be read in conjunction with the attached auditor's report.

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**QUEENSLAND LAW FOUNDATION PTY LTD
ATF LAW FOUNDATION QUEENSLAND TRUST**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the trust and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciation method and useful life used for items of property, plant and equipment (excluding freehold land) reflects the pattern in which their future economic benefits are expected to be consumed by the trust. Depreciation commences from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The depreciation method and useful life of assets is reviewed annually to ensure they are still appropriate.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of the reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the trust commits itself to either purchase or sell the asset (i.e. trade date accounting adopted). Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

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Trade and Other Receivables

Trade receivables are recognised initially at the transaction price (i.e. cost) and are subsequently measured at cost less provision for impairment. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

These notes should be read in conjunction with the attached auditor's report.

**QUEENSLAND LAW FOUNDATION PTY LTD
ATF LAW FOUNDATION QUEENSLAND TRUST**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

At the end of each reporting period, the carrying amount of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in income statement.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits and short investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Bank overdrafts also form part of cash equivalents and are presented within current liabilities on the balance sheet.

Revenue and Other Income

Revenue is measured at the value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Interest revenue

Interest revenue is mainly on interest bearing cash and cash equivalent balances. Interest revenue is recognised upon receipt.

Dividend revenue

Dividend revenue is recognised when the dividend has been paid or in the case of dividend reinvestment schemes, credited to the owner.

All revenue is stated net of the amount of goods and services tax (GST).

Trade and Other Payables

Trade and other payables represent the liabilities at the end of the reporting period for goods and services received by the trust that remain unpaid.

Trade payables are recognised at their transaction price. Trade payables are obligations on the basis of normal credit terms.

These notes should be read in conjunction with the attached auditor's report.

**QUEENSLAND LAW FOUNDATION PTY LTD
ATF LAW FOUNDATION QUEENSLAND TRUST**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

	2014 \$	2013 \$
2 Trade and Other Receivables		
Current		
Sundry Debtors	10,477	-
Benevolent Fund	33,000	33,000
	<u>43,477</u>	<u>33,000</u>
3 Financial Assets		
Non-Current		
Investments in Managed Funds (at cost)	8,038,398	8,016,852
Provision for Investment Revaluation	-	-
	<u>8,038,398</u>	<u>8,186,311</u>
4 Property, Plant and Equipment		
Office Furniture & Equipment at Cost	32,654	32,654
Less: Accumulated Depreciation	<u>(29,576)</u>	<u>(26,899)</u>
	3,078	5,755
Total Plant and Equipment	<u>3,078</u>	<u>5,755</u>
Total Property, Plant and Equipment	<u>3,078</u>	<u>5,755</u>
5 Unpaid Trust Distributions		
Beneficiary		
Balance brought forward	809,643	1,024,697
Share of profit (loss)	214,357	27,066
	<u>1,024,000</u>	<u>1,051,763</u>
Drawings	<u>(157,560)</u>	<u>(242,120)</u>
	866,440	809,643
Total Beneficiaries Funds	<u>866,440</u>	<u>809,643</u>

These notes should be read in conjunction with the attached auditor's report.

**QUEENSLAND LAW FOUNDATION PTY LTD
ATF LAW FOUNDATION QUEENSLAND TRUST**

DIRECTOR'S DECLARATION

The director of the trustee company declares that the trust is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

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The director of the trustee company declares that:

- 1 The financial statements and notes, as set out on pages 1 to 6, present fairly the trust's financial position as at 30 June 2014 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
- 2 In the director's opinion there are reasonable grounds to believe that the trust will be able to pay its debts as and when they become due and payable.

Director:

DAVID ROBERTS

Mr David Roberts

Dated this day 13th of December, 2014

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**QUEENSLAND LAW FOUNDATION PTY LTD
ATF LAW FOUNDATION QUEENSLAND TRUST**

**PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2014**

	2014 \$	2013 \$
OTHER INCOME		
Trust Distributions Received	10,477	-
Dividends Received	260,137	170,575
Interest Received	134,656	121,961
Capital Gain/(Loss) from Investments	112,653	235,035
	<u>517,923</u>	<u>527,571</u>
EXPENSES		
Accountancy Fees	14,300	7,874
Bank Charges	377	311
Computer Expenses	22,035	6,810
Depreciation	2,677	5,361
Fees & Permits	236	1,106
Insurance	-	19,042
Internet Expenses	1,004	945
Legal Guide Publication	-	53,862
Management Fees	35,876	39,628
Meeting Expenses	3,687	4,634
Postage	301	711
Printing & Stationery	230	1,125
Rent	18,040	-
Solicitors Assistance Panel	98,877	115,382
Storage Fees	847	427
Sundry Expenses	2,304	40
Superannuation Contributions	6,782	6,767
Telephone	7,491	9,488
Travelling Expenses	-	297
Video Conference Expenses	3,280	-
Wages	85,222	69,418
Withholding Tax Deducted	-	9,502
	<u>303,566</u>	<u>352,730</u>
Profit for the year before investment impairment	<u>214,357</u>	<u>174,841</u>

The accompanying notes form part of these financial statements.
These statements should be read in conjunction with the attached auditor's report.