



## 11th annual report 2004–05

*The Moreton Bay Fig tree (Ficus Macro) is endemic to Queensland and is a symbol of strength, prosperity and beauty. The symbolism of trees is unmistakeable - growth, prosperity, strength, age & wisdom, and nature. The Moreton Bay Fig is a symbol of the Law Foundation of Queensland, which*



**Law Foundation** Queensland

## Table of contents

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<b>Report to beneficiaries</b>	<b>3</b>
Profile	3
Board of trustees	3
Investment of funds	4
An overview	4
In perspective	4
Projects funded or approved in principle	5
Ongoing commitments	5
<b>Financial report</b>	
<b>– Law Foundation–Queensland</b>	<b>6</b>
Profit and loss statement	7
Balance sheet	8
Notes to the financial report	9
<b>Statement by Trustee</b>	<b>11</b>
<b>Auditor’s report</b>	<b>12</b>

# Report to beneficiaries 2004–05

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## Profile

I have much pleasure in delivering the Annual Report of Law Foundation–Queensland.

Queensland Law Foundation Pty Ltd (QLF) is trustee for Law Foundation–Queensland (LF–Q), which by Court approval, has received the assets previously held by Law Foundation Insurance Trust.

Pursuant to the Law Foundation–Queensland Trust, the following is the third annual report to beneficiaries setting out the activities and business affairs of that Trust for the 2004–2005 financial year. Included in this report are the Trust's Annual Accounts and Auditor's Report.

The Law Foundation–Queensland (LF–Q) trust was settled by the Honourable Chief Justice Paul de Jersey AC on 15 November 2002, and the Board of the trustee company, Queensland Law Foundation Pty Ltd (QLF), comprises:

## Board of the Trustees



### Mr Raoul Giudes

Elected to Chair of the Board from 29 August 2001; appointed a Director in 1995; a partner of Guides & Elliot; a member of the QLS Council; and a QLS past President.



### Mr Justin O'Sullivan

Appointed a Director in 1995; Chair until 29 August 2001 when he retired as Chairman but continued as a Director; a partner of Justin F O'Sullivan & Edgar from 1951 to June 1988; a consultant to Justin O'Sullivan & Edgar from 1 July 1998 to 30 September 1999; a consultant to Laherty & O'Sullivan since November 1999; and a QLS past President.



### Mr Hugh Grant

Appointed a Director in 1995; senior partner of Grant & Simpson; Governor of Iwasaki Foundation; Director of Iwasaki Sang Go Co Australia Pty Ltd; Director of Capricornia Credit Union Ltd; a member of the Board of Fitzroy Basin Association; and a QLS past President.



### Mr Michael Meadows

Appointed a Director 17 December 1999; a partner of Flower & Hart; Chair of QLS Professional Standards Committee; Director of QLS Insurance Pty Ltd; Chair of QLS Property Law Accreditation Committee; and Member of the College of Law Academic Advisory Committee.



### Mr Ian Berry

Appointed a Director 17 December 1999; principal of Ian Berry at Ipswich; Member of the QLS Council; Chair of QLS Practice Development & Management Committee; Deputy Chair of the QLS CPD Committee; and Member of QLS Professional Standards Committee.



### Mr Glenn Ferguson

Appointed a Director 20 December 2000; partner of Ferguson Cannon Lawyers; a QLS past President; Vice President of LawAsia; Executive Member of the Law Council of Australia; Chair of the College of Law Queensland; Foundation Fellow of the Australian Academy of Law; Director of Queensland-based insurance and superannuation companies; and Director of QLS Insurance Pty Ltd.



### Mr David Roberts

Appointed a Director 20 December 2000; partner of Hunt & Hunt; Director of Davton Pty Ltd; and Director of Jomad Pty Ltd.



### Mrs Joan Bennett

Appointed a Director 31 March 2004; principal of Bennett & Associates in Brisbane; Chair of QLS Symposium Committee; and Member of the Legal Practitioners Admissions Board.



### Mr David Searles

Appointed a Director 30 March 2004; a partner at McCullough Robertson from 1 May 1973 to 30 November 2004; and now currently a partner at Deacons.

## Investment of funds

### An overview

- The Foundation's funds, invested under the control of the Trustee, have on the overall, increased by 100.20% since inception (1 July 2000) which represents an annualised return of 14.88%.

The Australian shares within the account have generated an annual return of 23.28% over the five years, with a total return of 184%.

- Over the same period of five years, the Intech Growth funds have returned 5.2% per annum which equates to 28.48% in total.
- The Australian share market has returned 9.43% per annum, giving a total return of 56.92%

### In perspective

#### **\$100 invested five years ago would now be represented as follows:**

in the Foundation Account	\$200.08
in the average Intech Wholesale Growth Fund	\$128.84
in the Australian share market	\$156.92

### Projects funded or approved in principle during the period

Part payment to LawAsia for the relocation of its Secretariat	\$50,000.00
QLS – Continuing Legal Education department	\$80,000.00
QLS Dispute Management Fund	\$50,000.00
Telstra – on account of QLS for video-conferencing costs	\$13,168.75
QLS – for the purchase of video-conferencing equipment	\$300,696.00

As mentioned in the Annual Report for 2003–04, LF–Q with QLS, was embarking on the establishment of a video-conferencing network for use by the QLS members in the conduct of their practice. It was hoped that the availability of such a system would also serve as a bridge for those practising in the more isolated areas of the State, to the main body of the profession and to the QLS itself.

To date the network is now located in the following areas:

- Cairns;
- Mt Isa;
- Townsville;
- Rockhampton;
- Mackay;
- Bundaberg;
- Sunshine Coast;
- Toowoomba; and
- Brisbane.

Arrangements are currently in progress to include Gladstone and the Gold Coast on the network.

### Ongoing commitments

The funding to LawAsia is an annual commitment of \$50,000.00 pa for each of three years commencing 1 July 2003 and expiring 30 June 2006. QLF has an option to extend this commitment for a further two years at its discretion.

In 2003, \$19,500.00 was paid for the Practice Technology Research project, with further payments to be made at the discretion of QLF.

The amount of \$160,000.00 has been committed to the QLS to support the development/education program for CPD organised by the CLE department. This amount is payable in quarterly instalments of \$40,000.00, and to date \$120,000.00 has been paid in fulfilment of this arrangement.

An amount of \$45,000.00 has been committed to the QLS for further development of library services.

# Financial report 2004–05

Queensland Law Foundation Pty Ltd as trustee for  
the Law Foundation–Queensland

## Profit and Loss Statement for the year ended 30 June 2005

	Note	2005 \$	2004 \$
<b>Income</b>			
Trust distributions received		69,281	56,086
Dividends received		353,742	241,294
Interest received		116,623	143,956
Capital gain/(loss) from investments		1,657,043	958,152
Sundry income		–	6,519
		<b>2,196,689</b>	<b>1,406,007</b>
<b>Expenditure</b>			
Accountancy fees		3,960	7,150
Advertising		308	–
Bank charges		450	516
Computer expenses		70	–
Claim settlement		–	5,000
Depreciation		1,541	1,774
Fees and permits		277	200
Interest paid		43	–
Management fees		121,448	98,104
Meeting expenses		1,574	3,646
Office relocation costs		20,000	–
Postage		274	332
Printing and stationery		423	1,184
Sundry expenses		724	254
Superannuation contributions		2,859	2,145
Telephone		2,164	2,142
Travelling expenses		–	4,603
Video-conference expenses		2,404	–
Wages		32,759	31,347
		<b>191,278</b>	<b>158,397</b>
<b>Net Profit</b>		<b>2,005,411</b>	<b>1,247,610</b>

The accompanying notes form part of these financial statements.

Queensland Law Foundation Pty Ltd as trustee for  
the Law Foundation–Queensland

## Profit and Loss Statement for the year ended 30 June 2005

		2005	2004
	Note	\$	\$
Profit/(loss) from ordinary activities before tax		2,005,411	1,247,610.01
Income tax expense		—	—
Profit (loss) from ordinary activities after income tax		2,005,411	1,247,610.01
Total available for distribution (loss)		2,005,411	1,247,610.01
Distribution to beneficiaries:		2,005,411	1,247,610.01
Total distribution		2,005,411	1,247,610.01
Accumulated income (losses) at end of financial year		—	—

The accompanying notes form part of these financial statements.



Queensland Law Foundation Pty Ltd as trustee for  
the Law Foundation–Queensland

## Balance Sheet as at 30 June 2005

		2005	2004
	Note	\$	\$
<b>Current assets</b>			
Petty cash imprest		78	66
Cash at bank		7,688	10,328
		7,766	10,394
<b>Non-current investments</b>			
Investments in managed funds (at cost)		10,995,770	9,484,869
		10,995,770	9,484,869
<b>Fixed assets</b>			
Plant and equipment	2	8,081	3,685
		8,081	3,685
<b>Total assets</b>		11,011,617	9,498,948
<b>Current liabilities</b>			
Beneficiaries current accounts	3	3,710,479	2,198,933
Amounts withheld	4	1,123	–
		3,711,602	2,198,933
<b>Total liabilities</b>		3,711,602	2,198,933
<b>Net assets</b>		7,300,015	7,300,015
<b>Trust funds</b>			
Settlement sum		10	10
Trust capital		7,300,005	7,300,005
<b>Total trust funds</b>		7,300,015	7,300,015

The accompanying notes form part of these financial statements.



# Notes to the financial report 2004–05

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## 1 Statement of significant accounting policies

This financial report is a special purpose financial report prepared in order to satisfy the requirements of the trust deed to prepare a financial report. The trustee has determined that the trust is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the following applicable Australian Accounting Standards:

AAS 1: Profit and loss or other operating statements

AAS 5: Materiality

AAS 8: Events occurring after reporting date

No other Australian Accounting Standards, Urgent Issues Group Consensus Views or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The financial report is also prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

### Investments

Investments are brought to account at cost or valuation. Dividends and interests are brought to account when received.

### Property, plant and equipment

Property, plant and equipment are carried at cost or independent valuation.

All assets, excluding freehold land and buildings are depreciated over the useful lives of the assets to the business.

### Employee entitlements

Contributions are made to an employee superannuation fund and are charged as expenses when incurred.

This statement is to be read in conjunction with the audit report.

## 2 Plant and equipment

	2005	2004
	\$	\$
Office furniture and equipment at cost	13,562	7,625
<b>Less</b> Accumulated depreciation	5,481	3,940
	8,081	3,685
<b>Total plant and equipment</b>	<b>8,081</b>	<b>3,685</b>

## 3 Beneficiaries current accounts

	2005	2004
<b>Beneficiary</b>	<b>\$</b>	<b>\$</b>
Balance brought forward	2,198,933	1,088,112
<b>Add</b> Share of profit (loss)	2,005,411	1,247,610
	<b>4,204,344</b>	<b>2,335,722</b>
<b>Less</b> Drawings	493,865	136,789
	<b>3,710,479</b>	<b>2,198,933</b>

## 4 Amounts withheld

	2005	2004
	\$	\$
Amounts withheld from salary wages and other payments	1,123	—

This statement is to be read in conjunction with the audit report.

### Statement by Trustee

In the opinion of the Trustee, the accompanying financial statements have been drawn up in accordance with the basis set out in note 1 to the financial statements so as to present fairly:

- (i) the results of the operation of the Trust for the year ended 30 June 2005;
- (ii) the state of affairs of the Trust as at that date.



**Raoul Giudes**  
**(Chairperson)**

30 November 2005  
Brisbane

### Independent Auditors' Report to the Trustees of the Law Foundation– Queensland

#### Scope

We have audited the financial report, being a special purpose financial report, of the Law Foundation–Queensland, for the financial year ended 30 June 2005 being the Statement by Trustee, Profit and Loss Statement, Balance Sheet and Notes To and Forming Part of the financial statements. The trustee is responsible for the financial report and has determined that the accounting policies used and described in note 1 to the financial statements are appropriate to meet the requirements under the Trust Deed and the needs of the beneficiaries. We have conducted an independent audit of this financial report in order to express an opinion on it to the Trustee. No opinion is expressed as to whether the accounting policies used, and described in note 1, are appropriate to the needs of the beneficiaries.

The financial report has been prepared for distribution to beneficiaries. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the beneficiaries, or for any purpose other than that for which it was prepared.

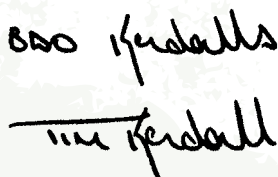
Our audit has been conducted in accordance with Australian Auditing Standards. Our procedures included examination, on a test basis, or evidence supporting the amounts and other disclosures in the financial report and the evaluation of significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the accounting policies described in note 1 to the financial statements. These policies do not require the application of all Accounting Standards and Urgent Issues Group Consensus Views.

The audit opinion expressed in this report has been formed on the above basis.

#### Audit opinion

In our opinion, the financial report of the Law Foundation–Queensland presents fairly the financial position as at 30 June 2005, and the results of its operations for the period then ended, in accordance with the accounting policies as described in note 1 of the financial statements and comply with the prescribed requirements of the Trust Deed.

**BDO Kendalls**  
**Chartered Accountants**



T J Kendall  
Partner

Dated: 1/12/05  
Brisbane