

## 14th annual report 2007–08

*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 accounts for 15% of the native flora in the state and is a tree which*



**Law Foundation** Queensland

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# Report to beneficiaries 2007–08

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

## Profile

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 fifth annual report to beneficiaries setting out the activities and business affairs of that Trust for the 2007–08 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 trustees



### Mr Raoul Giudes

Elected to Chair of the Board from 29 August 2001; re-appointed a Director in 2005; a partner of Guides & Elliot; a member of the QLS Council; a member of QLS Professional Standards committee; and a QLS past President.



### Mr Justin O'Sullivan AM

Re-appointed a Director in 2005; 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 from November 1999 to 31 January 2007; and a QLS past President. Mr O'Sullivan was awarded with the Order of Australia for services to the community and the profession in 2007.



### Mr Michael Meadows

Re-appointed a Director in 2005; a partner of Flower & Hart; Chair of QLS Professional Standards committee; Director of Lexon Insurance Pte Ltd.



### Mr Ian Berry

Re-appointed a Director in 2005; principal of Ian Berry at Ipswich; QLS deputy President 2007–08; Chair of QLS Practice Development and Management committee; deputy Chair of the QLS CPD committee; and member of QLS Professional Standards committee.

## Report to beneficiaries 2007–08 (cont.)

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### **Mr Glenn Ferguson**

Re-appointed a Director in 2005; partner of Ferguson Cannon Lawyers; a QLS past President; Vice President and President-Elect 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 Lexon Insurance Pte Ltd.



### **Mr David Roberts**

Re-appointed a Director in 2005; partner of Cooper Grace & Ward.



### **Mrs Joan Bennett**

Re-appointed a Director in 2005; principal of Bennett & Associates in Brisbane; a member of the Legal Practitioners Admissions Board; and former QLS councillor.



### **Mr David Searles**

Re-appointed a Director in 2005; a partner at Deacons (resigned 23 August 2007, following his appointment to the District Court of Queensland).



### **Mrs Megan Mahon**

Appointed a Director in August 2007, filling the vacancy created on the resignation of Mr David Searles; President of the Queensland Law Society; a Director of Law Council of Australia; a Director of College of Law Pty Ltd; and Chair of QLS Committee of Management.

### Investment of funds

#### Summary of performance since inception in 2000

- The overall account has increased 250.85% since inception which equates to an annual return (after fees) of 16.98%.
- Over the same period the Intech Growth funds have generated an annual return of 5.89% or 58.14% in total – these returns are before fees.
- The Australian share market has returned 10.55% per annum which equates to a total return of 123.14% over the same eight year period.
- Thus, \$100 invested 8 years ago would now be \$350.85 in the Foundation account (after fees); \$158.14 in the median Intech Growth Fund (pre fees) and \$223.14 from the Australian share market (pre fees).

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

The following funds have been made available to the beneficiaries of the trust in support of the named projects during the period 1 July 2007 to 30 June 2008.

To **QLS** to assist in the continued running expenses incurred by the QLS video conferencing network including: **\$199,187.00**

- Licence fees, Telstra line and call charges, and internode charges;
- the extension of the three-year warranty period for the equipment;
- the annual fees payable under the Management Services Agreement entered into with Integrated Vision; and
- the installation of additional sites at Ipswich, Cannonvale, Surfers Paradise, Redcliffe and Beenleigh.

To **LAWASIA** to assist in the relocation of the Secretariat to Brisbane under the extended commitment of \$50,000.00 for two years commencing 1 January 2007. **\$50,000.00**

To **QLS** as co-sponsor in the provision of commemorative plaques to recognise those practitioners who have achieved the professional milestone of 25 and 50 years post admission experience. **\$7,500.00**

To **QLS** to enable it to undertake significant market research on its Continuing Legal Education program. **\$60,000.00**

To **QLS** to assist in the upgrading of the design, useability and functionality of its website. **\$150,000.00**

## Report to beneficiaries 2007–08 (cont.)

To <b>QPILCH</b> to assist that body in its education and development program for the benefit of the solicitor branch of the profession.	<b>\$50,000.00</b>
To <b>QLS</b> in continued support of its CLE program.	<b>\$40,000.00</b>
To the production and printing of the revised edition of the Primary Producers Legal Handbook	<b>\$37,500.00</b>
To <b>QLS</b> as co-sponsor in the production of a commemorative booklet to celebrate its 80 years of incorporation.	<b>\$11,000.00</b>
To <b>QLS</b> to assist with the running of the State Legal Educators and Young Lawyers Conference.	<b>\$10,000.00</b>
To <b>QLS</b> by way of distribution from the Benevolent Fund to assist a member in need.	<b>\$7,090.46</b>

**TC Beirne School of Law** The board has also resolved to support the TC Beirne School of Law research proposal to the extent of \$15,000.00 per year for three years, and awaits information from that body as to the date of commencement of the project.

### Video Conferencing

LF–Q with QLS, has extended the video conferencing network which, it is hoped, will assist members in the conduct of their practice, as well as serve as a bridge for those living in the more isolated areas of the State, to the main body of the profession, and to the QLS itself.

The network is now located in the following areas:

- 1 Cairns;
- 2 Mt Isa;
- 3 Townsville;
- 4 Rockhampton;
- 5 Mackay;
- 6 Gladstone
- 7 Bundaberg;
- 8 Dalby;
- 9 Toowoomba;
- 10 Sunshine coast;
- 11 Brisbane;
- 12 Gold Coast;
- 13 Hervey Bay;

- 14 Gympie;
- 15 Ipswich;
- 16 Cannonvale;
- 17 Redcliffe;
- 18 Beenleigh; and
- 19 Surfers' Paradise.

Use of this facility has continued to rise and the financial year 2007–08 saw an increase in usage of the network of 264.25 hours.

Initially the system was established over an ISDN network and members were charged a user fee to cover Telstra call charges, but not line rental charges.

The Foundation has switched the network to Internet Protocol which enables the network to be offered **free of charge** to members save only the out of pocket charges which are made to the QLS.

Total expenditure on this project to date **\$1,122,171.00**

Expenses in support of the QLS video conferencing network will be ongoing as new sites are added to the network, and, in addition, there is a monthly charge for the provision of bandwidth to each site and to the central bridge.

Monthly expenses for the operation of the system are approximately **\$18,542.00 + GST**

### Schemes to assist solicitors in need

Over the last two years, the Directors of QLF acknowledged the personal and practical difficulties experienced by a number of solicitors. These difficulties have come to light through the Society's Professional Standards Department and LawCare.

Reports from these bodies indicate that some solicitors unfortunately continue to face health and/or personal difficulties, including serious illness of a family member etc. In consequence, these solicitors often encounter difficulties within their practices.

In co-operation with QLS, the Foundation has established programs to provide on the spot advice, as well hands on, in practice, assistance to the solicitor members of QLS, free of charge to the QLS member.

Confidentiality is assured with the Solicitor Assist services being provided by practicing solicitors on a Solicitor/Client basis. Other service providers (eg accountants, practice managers etc) similarly operate under strict confidentiality arrangements.

The services provided by these programs are:

#### 1 SOLICITORSHOTLINE

The Hotline is a telephone advisory service which operates, so far as is practicable, 24/7.

It is manned by two (2) experienced practitioners who have each operated in private practice in Queensland for 30 years, and who fully understand the day to day difficulties which arise from running a practice while attending clients' needs.

### 2. SOLICITORS**HELPINGHAND**

In the event that a phone call is not enough, and in-depth specialist advice is required, or if there is a need for support to address difficult issues arising through the course of a practice, the Foundation has established the Solicitors' Helping Hand Panel.

This panel comprises experienced practitioners who are willing to assist in this role. Their areas of expertise are varied and comprehensive and any practitioner seeking assistance is referred to a panel member, appropriate for the matter at hand.

As previously mentioned, confidentiality is assured as all advice is offered on a solicitor/client basis.

### **Practitioners' Benevolent Fund**

In addition to the **HELPLINE** and the **HELPINGHAND** projects, the Foundation has also established a Benevolent Fund to assist practitioner members of the QLS, their families and dependents in times of financial difficulty.

Assistance is provided:

- on a strictly confidential basis;
- through a modest, but unsecured and interest free short term loan;
- to applicants approved by the Foundation.

Financial difficulty could arise from a range of circumstances, not necessarily from a practice related issue, example, serious illness or an accident.

It is hoped that this fund may be eligible to be granted DGR status by the ATO and thereby be available to receive bequests or donations from the QLS member community. Investigations into this prospect are currently being undertaken.



# Financial report 2007–08

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

## Profit and Loss Statement for the year ended 30 June 2008

	Note	2008 \$	2007 \$
<b>Income</b>			
Trust Distributions Received		72,600	78,805
Dividends Received		283,327	348,202
Interest Received		157,999	132,087
Capital Gain/(Loss) from Investments		1,197,293	2,563,447
		<b>1,711,219</b>	<b>3,122,541</b>
<b>Expenditure</b>			
Accountancy Fees		7,480	6,831
Bank Charges		755	376
Benevolent Fund Expenses		10,374	–
Computer Expenses		194	3,578
Depreciation		1,026	1,729
Donations		–	100
Fees and Permits		482	212
Insurance		16,370	–
Interest Paid		17	–
Internet Expenses		795	779
Legal Guide Publication		39,864	–
Management Fees		169,834	145,026
Meeting Expenses		4,125	5,152
Postage		475	504
Printing and Stationery		349	1,119
Solicitors Assistance Panel		22,575	–
Sundry Expenses		24	297
Superannuation Contributions		7,207	8,106
Telephone		2,317	2,082
Travelling Expenses		–	2,277
Video Conference Expenses		4,719	3,818
Wages		80,075	90,074
		<b>369,057</b>	<b>272,060</b>
<b>Profit (loss) before income tax</b>		<b>1,342,162</b>	<b>2,850,481</b>
Income tax expense		–	–
<b>Profit (loss) after income tax</b>		<b>1,342,162</b>	<b>2,850,481</b>

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 2008

		2008	2007
	Note	\$	\$
<b>Current Assets</b>			
Petty Cash Imprest		(312)	(81)
Cash at Bank		–	30,162
Benevolent Fund		7,090	–
		<b>6,778</b>	<b>30,081</b>
<b>Non-Current Investments</b>			
Investments in Managed Funds (at cost)		14,637,225	13,927,129
		<b>14,637,225</b>	<b>13,927,129</b>
<b>Fixed Assets</b>			
Plant and Equipment	2	7,462	3,319
		7,462	3,319
<b>Total assets</b>		<b>14,651,465</b>	<b>13,960,529</b>
<b>Current Liabilities</b>			
Bank Overdraft		46,242	
Beneficiaries Current Accounts	3	7,298,962	6,654,414
Sundry Creditors		103	103
Amounts Withheld	4	6,143	5,997
		<b>7,351,450</b>	<b>6,660,514</b>
<b>Total Liabilities</b>		<b>7,351,450</b>	<b>6,660,514</b>
<b>Net Assets</b>		<b>7,300,015</b>	<b>7,300,015</b>
<b>Trust Funds</b>			
Settlement Sum		10	10
Trust Capital		7,300,005	7,300,005
<b>Total Trust Funds</b>		<b>7,300,015</b>	<b>7,300,015</b>

The accompanying notes form part of these financial statements.

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

## Statement of Changes in Equity for the year ended 30 June 2008

	Trust Capital	Settlement Sum	Total
	\$	\$	\$
<b>Balance as at 1 July 2004</b>	7,300,005	10	7,300,015
add Profit attributable to Beneficiaries			
less Distribution to Beneficiaries			
<b>Balance as at 30 June 2005</b>	7,300,005	10	7,300,015
add Profit attributable to Beneficiaries			
less Distribution to Beneficiaries			
<b>Balance as at 30 June 2006</b>	7,300,005	10	7,300,015
add Profit attributable to Beneficiaries			
less Distribution to Beneficiaries			
<b>Balance as at 30 June 2007</b>	7,300,005	10	7,300,015
add Profit attributable to Beneficiaries			
Less Distribution to Beneficiaries			
<b>Balance as at 30 June 2007</b>	7,300,005	10	7,300,015

The accompanying notes form part of these financial statements.

# Notes to the financial report 2007–08

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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:

- AASB 1031: Materiality
- AASB 110: Events after the Balance Sheet Date
- AASB 116: Property, Plant and Equipment
- AASB 119: Employee Benefits

No other Australian Accounting Standards, Australian Accounting Interpretations 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.

### Financial Instruments

Investments in managed funds are stated at cost value. Any realised gains or losses are taken directly to the profit and shown on the income statement.

### 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

	2008	2007
	\$	\$
Office Furniture and Equipment at Cost	18,731	13,562
<b>Less:</b> Accumulated Depreciation	11,269	10,243
	7,462	3,319
<b>Total plant and equipment</b>	<b>7,462</b>	<b>3,319</b>

## 3 Beneficiaries Current Accounts

	2008	2007
<b>Beneficiary</b>	<b>\$</b>	<b>\$</b>
Balance Brought Forward	6,654,414	4,515,847
<b>Add:</b>		
Share of Profit (Loss)	1,342,162	2,850,481
	<b>7,996,575</b>	<b>7,366,328</b>
<b>Less:</b>		
Drawings	697,613	711,914
	<b>7,298,962</b>	<b>6,654,414</b>

## 4 Amounts Withheld

	2008	2007
	\$	\$
Amounts withheld from salary wages and other payments	6,143	5,997

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


### Directors' declaration

The directors of the trustee declare 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.

The directors of the trustee company declare that:

- 1 the financial statements and notes, as set on pages 1 to 5, present fairly the trust's financial position as at 30 June 2008 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 directors' 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.

This declaration is made in accordance with a resolution of the Board of Directors.



**Director**  
**David Roberts**

Dated this twenty-third day of January 2009

### **Independent Auditor's Report to the Trustees of the Law Foundation– Queensland**

We have audited the accompanying financial report, being a special purpose financial report, of The Law Foundation–Queensland, which comprises the balance sheet as at 30 June 2008, and the income statement and statement of changes in equity for the year then ended, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

#### **Trustees' Responsibility for the Financial Report**

The directors of Queensland Law Foundation Pty Ltd, as responsible entity of The Law Foundation–Queensland (trustees), are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in note 1 to the financial statements, which form part of the financial report, are appropriate to meet the financial reporting requirements of the trust deed and are appropriate to meet the needs of the beneficiaries. The trustees' responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in note 1, are appropriate to meet the needs of the beneficiaries. We conducted our audit in accordance with Australian Auditing Standards. These Auditing 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.

The financial report has been prepared for distribution to beneficiaries for the purpose of fulfilling the trustees' financial reporting requirements under the trust deed. 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.

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

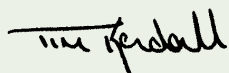
### **Independence**

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

### **Auditor's Opinion**

In our opinion, the financial report presents fairly, in all material aspects, the financial position of The Law Foundation–Queensland as of 30 June 2008 and of its financial performance and its cash flows for the year then ended in accordance with the accounting policies described in note 1 to the financial statements.

**BDO Kendalls (QLD)**



**T J Kendall**

Partner

Dated: 28 January 2009

Brisbane