

## 15th annual report 2008–09

*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 tree is a symbol of strength, prosperity and beauty, which is a symbol of growth, prosperity, strength, age & wisdom, and nature.*



**Law Foundation** Queensland

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# Report to beneficiaries 2008–09

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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 sixth annual report to beneficiaries setting out the activities and business affairs of that Trust for the 2008-09 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 former senior partner of Flower & Hart and now a consultant to the firm; Chair of QLS Professional Standards committee; Director of Lexon Insurance Pte Ltd.



### Mr Ian Berry

Re-appointed a Director in December 2005; principal of Ian Berry at Ipswich; QLS President 2009; Chair of QLS Practice Development and Management committee; deputy Chair of the QLS CPD committee; and member of QLS Professional Standards committee.



**Mr Glenn Ferguson**

Re-appointed a Director in December 2005; a partner of Ferguson Cannon Lawyers; President of LAWASIA; President-elect, Law Council of Australia; Chair of The College of Law Queensland; Foundation Fellow of the Australian Academy of Law; a Director of Queensland-based insurance and superannuation companies; a Director of Lexon Insurance Pte Ltd; and a QLS past President.



**Mr David Roberts**

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



**Mrs Joan Bennett**

Re-appointed a Director in 2005; a member of the Legal Practitioners Admissions Board; a consultant to Forbes Dowling Lawyers; and a former QLS councillor.



**Mrs Megan Mahon**

Appointed a Director in August 2007; Executive Director of Law Council of Australia; Bond University Law Advisory Board member; Griffith University Innocence Project Advisory Board member; and Chair of QLS Committee of Management; and a QLS past President.

### Investment of funds

#### Summary of performance since inception in 2000

- The overall account has increased 195.77% since inception which equates to an annual return (after fees) of 12.81%.
- Over the same period the Intech Growth funds have generated an annual return of 3.59% or 37.37% in total – these returns are before fees.
- The Australian share market has returned 6.33% per annum which equates to a total return of 73.72% over the same nine year period.
- Thus, \$100 invested nine years ago would now be \$295.77 in the Foundation account (after fees); \$137.37 in the median Intech Growth Fund (pre fees) and \$173.72 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 2008 to 30 June 2009.

To **QLS** to assist in the continued running expenses incurred by the QLS video conferencing network including:

- licence fees, Telstra line and call charges, and internode charges;
- 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.

**\$260,536.42**

To **LAWASIA** to assist in the relocation of the Secretariat to Brisbane under the extended commitment of \$50,000.00 per year for two years commencing 1 January 2009.

**\$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.

**\$8,000.00**

To **QLS** to enable it to undertake significant market research on its Continuing Legal Education program.

**\$80,000.00**

To **QLS** to sponsor the dinner function held for the Far North Queensland Symposium.

**\$4,400.00**

To **QLS** to assist in the improvement, expansion and awareness-raising of the LawCare service.

**\$32,000.00**

## Report to beneficiaries 2008–09 (cont.)

To <b>QLS</b> by way of additional funds 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>
By way of assistance to practitioners from the <b>Benevolent Fund</b> project operated by Law Foundation–Queensland Trust for the benefit of QLS member practitioners.	<b>\$27,090.46</b>
By way of assistance to practitioners from the Solicitors' <b>HELPINGHAND</b> project established for the benefit of QLS member practitioners.	<b>\$5,055.00</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 2008-09 saw an increase in usage of the network of 250.25 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 **\$1,382,707.00**

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 three 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 Queensland Law 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 SOLICITORS' HOTLINE

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.

This service, the QLF is very pleased to see, is being extensively used by solicitor practitioners in need of practical advice, or even just a "sounding board" for a sole practitioner.

### 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 in the course of 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 dependants 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 2008–09

Queensland Law Foundation Pty Ltd  
ATF Qld Law Foundation Insurance Trust

## Profit and Loss Statement for the year ended 30 June 2009

	Note	This Year \$	Last Year \$
<b>Income</b>			
Trust Distributions Received		–	72,600
Dividends Received		346,632	283,327
Interest Received		129,346	157,999
Capital Gain from Investments		–	1,197,293
		<b>475,978</b>	<b>1,711,219</b>
<b>Expenses</b>			
Accountancy Fees		7,040	7,480
Bank Charges		904	755
Benevolent Fund Expenses		5,909	10,374
Capital (Loss) from Investments		2,120,462	–
Computer Expenses		11,378	194
Depreciation		3,213	1,026
Fees and Permits		212	482
Insurance		7,257	16,370
Interest Paid		46	17
Internet Expenses		1,094	795
Legal Guide Publication		4,290	39,864
Management Fees		140,853	169,834
Meeting Expenses		53	4,125
Postage		461	475
Printing and Stationery		8	349
Professional Fees		7,165	–
Seminar Expenses		17,407	–
Solicitors Assistance Panel		58,814	22,575
Sundry Expenses		329	24
Superannuation Contributions		7,442	7,207
Telephone		5,974	2,317
Travelling Expenses		9,970	–
Video Conference Expenses		2,200	4,719
Wages		82,699	80,075
		<b>374,718</b>	<b>369,057</b>
<b>(Loss) Profit before income tax</b>		<b>(2,019,202)</b>	<b>1,342,162</b>

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

Queensland Law Foundation Pty Ltd  
ATF Qld Law Foundation Insurance Trust

## Profit and Loss Statement for the year ended 30 June 2009

		This Year	Last Year
	Note	\$	\$
(Loss) Profit		(2,019,202)	1,342,162
Total available for distribution (loss)		(2,019,202)	1,342,162
Distribution to beneficiaries		(2,019,202)	1,342,162
Trust Capital		(7,300,005)	(7,300,005)
<b>Retained earnings at the end of the financial year</b>		<b>7,300,005</b>	<b>7,300,005</b>
<b>Beneficiaries distribution</b>			
Beneficiary		(2,019,202)	1,342,162
		<b>(2,019,202)</b>	<b>1,342,162</b>

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

Queensland Law Foundation Pty Ltd  
ATF Qld Law Foundation Insurance Trust

## Balance Sheet as at 30 June 2009

		This Year	Last Year
	Note	\$	\$
<b>Current Assets</b>			
Petty Cash Imprest		(218)	(312)
Cash at Bank		17,083	–
Benevolent Fund		27,090	7,090
<b>Total Current Assets</b>		<b>43,955</b>	<b>6,778</b>
<b>Non Current Assets</b>			
<b>Financial Assets</b>			
Investments in Managed Funds (at cost)		12,171,619	14,637,225
		12,171,619	14,637,225
<b>Fixed Assets</b>			
Property, Plant and Equipment	4	4,249	7,462
<b>Total Non Current Assets</b>		<b>12,175,868</b>	<b>14,644,687</b>
<b>Total Assets</b>		<b>12,219,823</b>	<b>14,651,465</b>
<b>Current Liabilities</b>			
Beneficiary Current Accounts	3	4,914,516	7,298,962
Sundry Creditors		103	103
Bank Overdraft		–	46,242
Amounts Withheld	2	5,189	6,143
<b>Total Current Liabilities</b>		<b>4,919,808</b>	<b>7,351,450</b>
<b>Total Liabilities</b>		<b>4,919,808</b>	<b>7,351,450</b>
<b>Net Assets</b>		<b>7,300,015</b>	<b>7,300,015</b>
Represented by:			
<b>Trust Funds</b>			
Settlement Sum		10	10
Profit Earned This Year		(2,019,202)	1,342,162
Distribution to Beneficiaries		2,019,202	(1,342,162)
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.  
These statements should be read in conjunction with the attached auditor's report.

# Notes to the financial report 2008–09

Queensland Law Foundation Pty Ltd  
ATF Qld Law Foundation Insurance Trust

## Notes to the Financial Statements for the year ended 30 June 2009

### 1 Statement of significant accounting policies

This financial report is a special purpose financial report prepared for use by the director of the trust. The director has determined that the trust is not a reporting entity.

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

### Property, plant and equipment

Property, plant and equipment are carried at cost, independent of director's valuation. AM assets, excluding freehold land and buildings are depreciated over the useful lives of the assets to the trust.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have not been discounted in determining recoverable amounts.

### Property, plant and equipment (PPE)

Leasehold improvements and office equipment are carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all PPE is depreciated over the useful lives of the assets to the trust commencing from the time the asset is held ready for use.

Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

## Financial assets

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

Financial assets are initially recognised on the cost basis, including acquisition charges associated with the financial asset. The carrying amount of financial assets are reviewed annually by the director. The recoverable amount is assessed from the quoted current market value for shares in listed companies or the underlying net assets for other non-listed corporations. The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts, unless otherwise stated.

## 2 Amounts withheld

	This Year	Last Year
	\$	\$
Amounts withheld from salary wages and other payments	5,189	6,143
	5,189	6,143

## 3 Beneficiary current accounts

	This Year	Last Year
Beneficiary	\$	\$
Balance at Beginning of Year	7,298,963	6,654,413
Share of Loss	(2,019,202)	1,342,162
Drawings	(365,245)	(697,613)
	4,914,516	7,298,962
<b>Total Beneficiary Accounts</b>	<b>4,914,516</b>	<b>7,298,962</b>

## 4 Property, plant and equipment

	This Year	Last Year
	\$	\$
Office Furniture and Equipment at Cost	18,731	18,731
<b>Less:</b> Accumulated Depreciation	(14,482)	(11,269)
	4,249	7,462
<b>Total Plant and Equipment</b>	<b>4,249</b>	<b>7,462</b>
<b>Total Property, Plant and Equipment</b>	<b>4,249</b>	<b>7,462</b>

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

Queensland Law Foundation Pty Ltd  
ATF Qld Law Foundation Insurance Trust

### Director's declaration

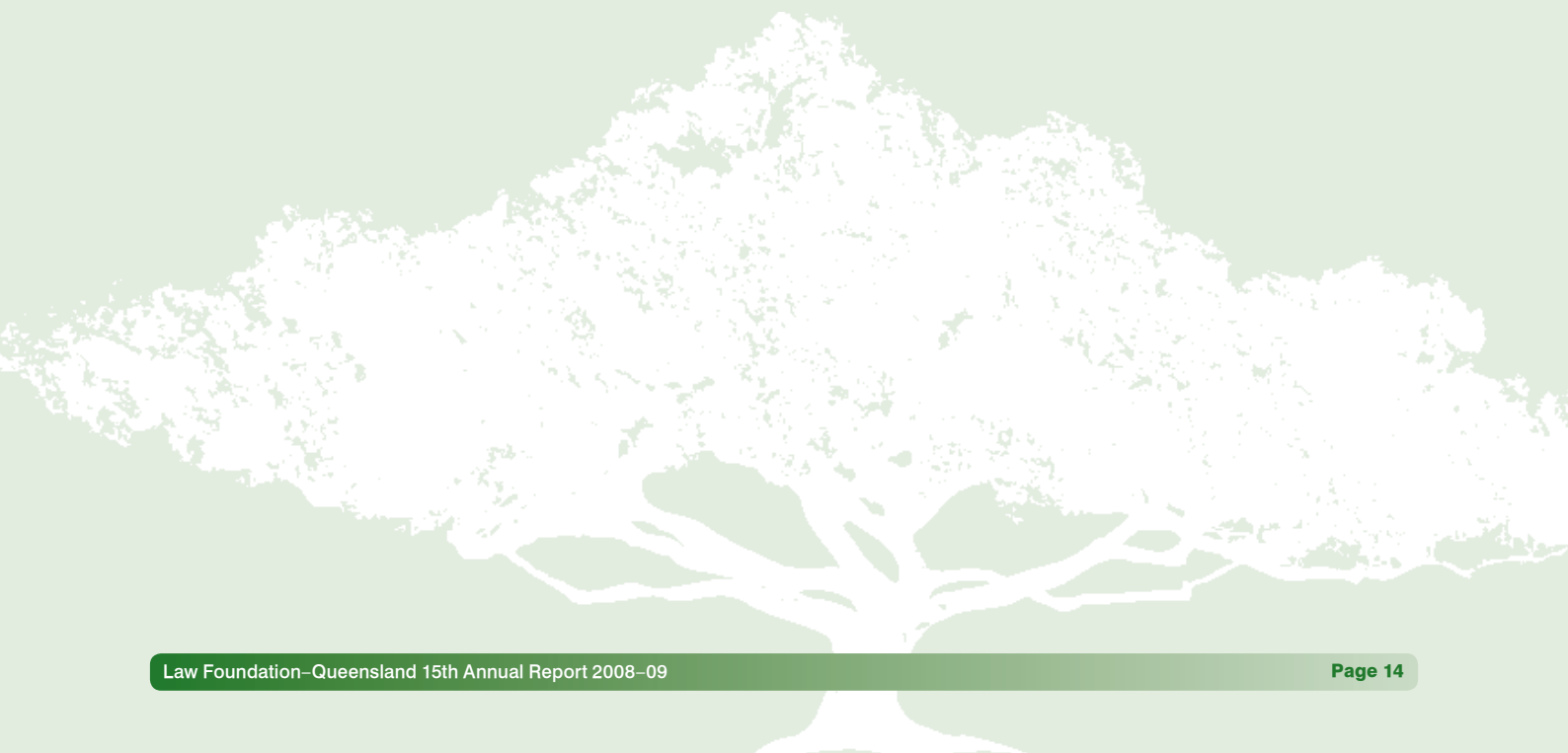
The director of the trustee company declares that:

- 1 The financial statements and notes present fairly the trusts financial position as at 30 June 2009 and its performance for the year ended on that date in accordance with Accounting Standards, and
- 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.

Dated this twenty-second day of February 2010.



Director



### Independent auditor's report

To the Trustee of Qld Law Foundation Insurance Trust

#### Report on the financial report

We have audited the accompanying financial report, being a special purpose financial report, of the Qld Law Foundation Insurance Trust, which comprises the Balance Sheet as at 30 June 2009, and the Profit and Loss statement for the year then ended a summary of significant accounting policies, other explanatory notes and the directors' of the Trustee Company's declaration.

#### Trustees' responsibility for the financial report

The Trustees of the trust 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 members. 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 members. 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 members 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 members, 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 basis for our audit opinion.

### **Independence**

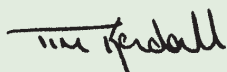
In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

### **Auditor's opinion**

In our opinion, the financial report presents fairly, in all material respects, the financial position of Qld Law Foundation Insurance Trust as of 30 June 2009 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

**BDO Audit (Qld) Pty Ltd**

**BDO**



**T J Kendall**  
Director

Brisbane  
22 February 2010