

17th annual report 2010–11

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 unmistakable - growth, prosperity, strength, age & wisdom, and nature. The Moreton Bay Fig accounts for 15% of the native flora in the state and is the most common tree in the state, which



Law Foundation Queensland

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Report to beneficiaries 2010–11

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 seventh annual report to beneficiaries setting out the activities and business affairs of that Trust for the 2010 – 2011 financial year. Included in this report are the Trust's Annual Accounts and Auditor's Report.

In these continued difficult times QLF is pleased to have been able to support its beneficiaries through the various grants it has made through the establishment of the Queensland wide video conferencing service and also through both the direct assistance both financial and/or otherwise available through the Solicitor Assist Hotline Program, the Solicitor Assist Helping Hand Program and the Benevolent Fund, established to assist those in need.

QLF has also been instrumental in arranging resilience sessions to be held in certain regional areas, at which a member of the Board addresses the attendees informing them of the assistance packages which the QLF offers.

More details of the work undertaken by these programs follows in the body of this report.

The Law Foundation-Queensland (LF-Q) trust was settled by the Honourable Chief Justice Paul de Jersey AC on the 15th 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 the Board from 29 August, 2001; Re-appointed a Director in December, 2005; Partner of Guides & Elliot; A member of the QLS Council; Member of QLS Professional Conduct Committee; Chair of the Practice Management Section; and a QLS Past President.



Mr Justin O'Sullivan AM

Re-appointed a Director in December, 2005; Chair until 29 August 2001 when he retired as Chairman but continued as a Director; Partner of Justin F O'Sullivan & Edgar from 1951 to June 1988; Consultant to Justin O'Sullivan & Edgar from 1 July 1998 to 30 September 1999; Consultant to Laherty & O'Sullivan from November 1999 to 31 January, 2007; and a QLS Past President.

Mr O'Sullivan was awarded an Australia Medal in the Queen's Birthday Honours List in 2008, for services to the profession and to the community.



Mr Michael Meadows

Re-appointed a Director in December, 2005; Former senior partner of Flower & Hart and now a consultant to the firm; Chair of QLS Professional Conduct Committee; Director of Lexon Insurance Pte Ltd; and Director of Queensland based Insurance and Superannuation Companies;



Mr Ian Berry

Re-appointed a Director in December, 2005; Principal of Ian Berry Solicitors at Ipswich; Immediate past President of the Queensland Law Society Inc.; Chair of QLS Practice Development & Management Committee; Deputy Chair of the CPD Committee; and Member of the QLS Professional Conduct Committee.



Mr Glenn Ferguson

Re-appointed a Director in December, 2005; Partner of Ferguson Cannon Lawyers; Past President of Law Asia; Immediate past President of the Law Council of Australia; Chair of the College of Law Queensland; Foundation Fellow of the Australian Academy of Law; Director of Lexon Insurance Pte Ltd; Fellow of the Australian Institute of Company Directors; 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 December, 2005; Member of the Legal Practitioners Admissions Board; Consultant to Forbes Dowling Lawyers; and Former Councillor, Queensland Law Society Inc.



Mrs Megan Mahon

Appointed a Director in August 2007; Bond University Law Advisory Board member; Griffith University Innocence Project Advisory Board member; Chair of QLS Committee of Management; and a QLS Past President
Mrs Mahon retired as a member of the Board on the 24th May, 2011.

Investment of funds

Summary of performance since inception in 2000

- The overall account has increased 210.12% since inception which equates to an annual return (after fees) of 10.83%.
- Over the same period the Intech Growth funds have generated an annual return of 4.89% or 69.09% in total – these returns are before fees.
- The Australian share market has returned 7.51% per annum which equates to a total return of 121.71% over the same 11 year period.
- Thus, \$100 invested 11 years ago would now be \$310.12 in the Foundation account (after fees); \$169.09 in the median Intech Growth Fund (pre fees) and \$221.71 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 2010 – 30 June 2011.

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 an additional site at Emerald. **\$262,075.56**

To **Lawasia** to assist in the relocation of the Secretariat to Brisbane under the extended commitment of \$50,000.00 per year for 3 years commencing 1.1.09 **\$50,000.00**

To **QLS** for the further development of its Continuing Legal Education program **\$100,000.00**

To **QLS** as support for the TC Beirne School of Law in its research into wealth and aging **\$15,000.00**

To **Lexon Insurance Pte Ltd** in support of its proposal to run a hotline service to assist practitioners with any questions which they may have arising from the PAMDA legislation **\$12,695.00**

By way of assistance to practitioners from the **Benevolent Fund** project operated by Law Foundation-Queensland Trust for the benefit of QLS member practitioners **\$26,211.50**

By way of assistance to practitioners from the Solicitors' **HELPINGHAND** project established for the benefit of QLS member practitioners **\$2,750.00**

By way of assistance to practitioners from the Solicitors' **HOTLINE** project **\$72,724.71**

PAMDA Hotline

The introduction of the PAMDA legislation presented much uncertainty in very many offices throughout Queensland and the Board of QLF together with Lexon Insurance Pte Ltd arranged for several competent and experienced lawyers to be trained in the PAMDA legislation and for them to operate a Hotline telephone service.

This service was available to all members free of charge, to deal with any queries arising from that legislation and was available for a period of seven weeks after its introduction.

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. Atherton; | 12. Sunshine coast; |
| 2. Cairns; | 13. Brisbane; |
| 3. Mt Isa; | 14. Gold Coast; |
| 4. Townsville; | 15. Hervey Bay; |
| 5. Emerald; | 16. Gympie; |
| 6. Rockhampton; | 17. Ipswich; |
| 7. Mackay; | 18. Cannonvale; |
| 8. Gladstone | 19. Redcliffe; |
| 9. Bundaberg; | 20. Beenleigh; and |
| 10. Dalby; | 21. Surfers' Paradise |
| 11. Toowoomba; | |

Use of this facility has continued to rise with an additional facility having been established in the Atherton area, and with investigations underway for the establishment of a facility for the Emerald area.

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:

\$1,644,783.00 (ex GST)

(Including the amount of \$262,075.56 shown in the table above)

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:

\$20,931.00 + GST

Schemes to assist solicitors in need

Over the last five years, the Directors of QLF have 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 Law Care.

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 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 2010–11

Queensland Law Foundation Pty Ltd
ATF The Law Foundation Insurance Trust

Profit and loss statement for the year ended 30 June 2011

	Note	This Year \$	Last Year \$
Income			
Trust distributions received		–	4,000
Dividends received		277,498	481,358
Interest received		179,204	112,636
Capital gain/(loss) from Investments		154,756	1,701,963
		611,458	2,299,957
Expenses			
Accountancy fees		7,480	6,353
Bank charges		387	626
Benevolent fund expenses		7,090	647
Computer expenses		3,441	4,821
Depreciation		917	1,698
Fees and permits		218	212
Insurance		6,985	6,946
Interest paid		–	115
Internet expenses		1,031	1,931
Management fees		128,698	155,472
Meeting expenses		4,889	1,892
Postage		423	456
Printing and stationery		2,376	182
Promotional materials		–	11,284
Rent		28,945	25,414
Solicitors assistance panel		85,586	74,417
Storage fees		1,045	1,453
Sundry expenses		1,056	1,961
Superannuation contributions		6,866	6,499
Telephone		3,897	4,735
Travelling expenses		–	611
Video conference expenses		190	383
Wages		76,290	72,215
		367,810	380,323
Profit before income tax		243,648	1,919,634

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 2010–11

Queensland Law Foundation Pty Ltd
ATF The Law Foundation Insurance Trust

Notes to the financial statements for the year ended 30 june 2011

4. Beneficiary Current Accounts	This Year	Last Year
	\$	\$
Beneficiary		
Balance at Beginning of year	4,066,541	4,914,515
Share of Profit	243,648	1,919,634
Drawings	(439,169)	(2,767,609)
	3,871,020	4,066,540
Total Beneficiary Accounts	3,871,020.00	4,066,540.00

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 The Law Foundation Insurance Trust

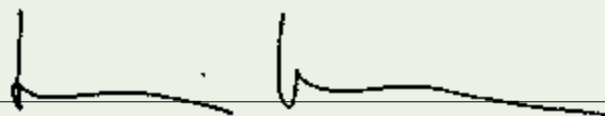
Director's declaration

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.

The director of the trustee company declares that:

- The financial statements and notes present fairly the trust's financial position as at 30 June 2011 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
- 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:


Michael Meadows (Director)

Dated this day of: 16th December 2011

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

Independent auditor's report

To the Trustee of the 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 2011, the profit and loss 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 the Queensland Law Foundations Pty Ltd, as trustee of the Qld Law Foundation Insurance 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 risk 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.

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

Independence

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

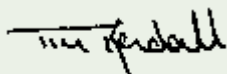
Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of the Qld Law Foundation Insurance Trust as at 30 June 2011, and of 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 (Qld) Pty Ltd



T J Kendall
Director

Brisbane
16 December 2011

BDO Audit (QLD) Pty Ltd ABN 33 134 022 870 is a member of a national association of independent entities which are all members of BDO (Australia) Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (QLD) Pty Ltd and BDO (Australia) Ltd are members of BDO International Ltd, a UK company limited by a guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation (other than for the acts or omissions of financial services licencees) in each State or Territory other than Tasmania.