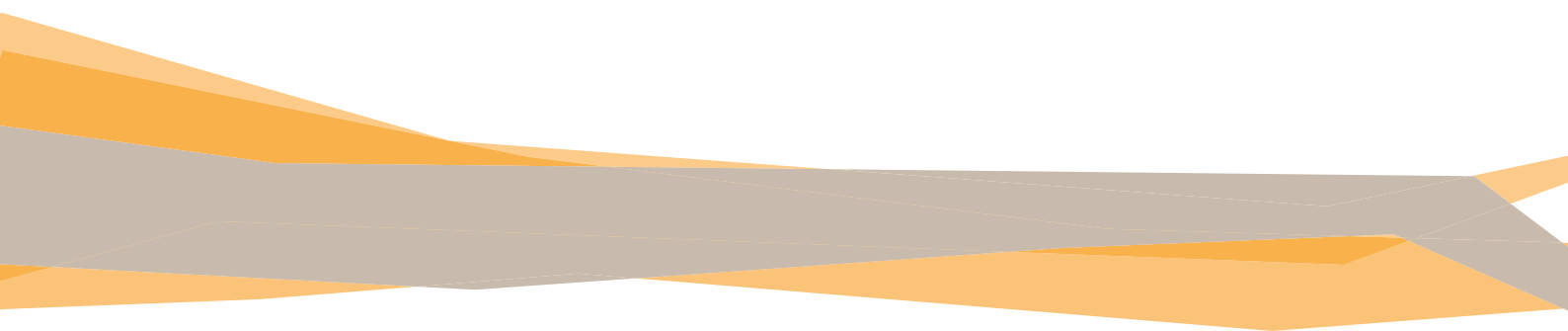


actlawsociety

Annual Report

2013-14



Law Society of the Australian Capital Territory

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Vice President Greg Brackenreg
Vice President Kay Barralet
Secretary..... Louise Vardanega
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Council-appointed Member Allyson Hogan
Immediate Past President Noor Blumer

Councillors

Angus Bucknell
Catherine Coles
Chris Donohue
Allyson Hogan
George Marques
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Matt O'Brien
Raoul Salpeter
Damien Spindelove

Secretariat Staff

Chief Executive Officer Dianne O'Hara
Professional Standards Manager..... Rob Reis
Finance & Business Services Manager .. Lea McLean
Professional Development Officer Yvette Luketic
CPD Program Officer Margaret Ryan
Executive Secretary..... Debbie Sims
Communications Officer..... Nicole Karman
Committee Administrator Heather Jackson
Bookkeeper Kathleen Lui
Complaints Committee Secretary... Linda Mackay
Project Officer Chase Deans
Receptionist/LAB Administrator Robyn Guilfoyle

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President's Report



A new CEO

We are very pleased to have Dianne O'Hara as our new Chief Executive Officer. Dianne commenced in December 2013 and has hit the ground running. Her background is with ActewAGL and her skills are well suited to the work of the Law Society.

We also farewelled Larry King after 17 years of exemplary service. Unsurprisingly, Larry was wined and dined several times before his final send off at Vivaldi's in February 2014.

A new Chief Justice

Following the retirement of Terry Higgins, Helen Murrell was sworn in as Chief Justice of the ACT in September 2013. She is our first female Chief Justice. Her Honour was previously a Judge of the District Court of NSW and is a strong advocate of therapeutic jurisprudence, being the first judge of the NSW Drug Court, a problem solving court focussing on rehabilitation of offenders and long term behavioural change.

Listing arrangements in the Supreme Court

A new practice direction in regard to civil procedure in the Supreme Court is being considered. It is proposed to "front load" the system. The Law Society has been heavily involved in the drafting of the document and has made suggestions to the Court for incorporation into the new procedure. Master Mossop is finalising the Practice Direction. There has also been a focus on mediation in civil matters, with assistance from Acting Justices to help address the issue of the backlog in the Supreme Court.

The Chief Justice has commenced central listing of the criminal list. This follows the success of the blitz on criminal cases last year and the recent trial of central listing. Her Honour has agreed that the periods for criminal trials will be shorter and involve fewer Judges than was the case in the trial.

CTP/catastrophic injury scheme

The Law Society, through an ad hoc working committee, has maintained a watching brief in regard to any changes to the compulsory third party insurance law in the ACT.

The substantive CTP law has not been debated during this financial year. However, as part of the ACT's commitment to the NDIS the law in regard to caring for people who suffer catastrophic injury has changed. The *Lifetime Care and Support (Catastrophic Injuries) Act 2014* passed the Legislative Assembly with some minor amendments following submissions by the Society. The CTP Working Group will continue to monitor the position.

Productivity commission report into access to justice

As many will be aware the Productivity Commission is conducting an inquiry into Australia's system of civil dispute resolution with a focus on constraining costs and promoting access to justice and equality before the law. A draft report has been prepared by the Commission and further submissions are being taken before the report is finalised.

The Law Council has compiled a comprehensive response on behalf of the national legal profession. Whilst there are several issues where differences in law and procedure between the States and Territories are important, the various ACT Law Society committees that considered the report decided that views of the profession in the ACT are reflected in the Law Council response. We have had ACT specific comment incorporated into the document where important, and the Immediate Past President, Noor Blumer, has been a member of the subcommittee drafting the Law Council submission.

The scope of the Productivity Commission Inquiry is broad. The report looks at the accessibility of the civil justice system and ways to ensure the legal profession is responsive. There are suggestions for expanding alternate dispute resolution and reviewing how and what ombudsmen do. The work of Tribunals, including to what extent lawyers should be involved, is discussed. There

are recommendations for change of court processes. The extension of user pay type fees is an issue the profession will oppose. Other issues of interest to lawyers include cost models, “unbundling” of legal services (limited retainers), and how to increase pro bono services. The reform of legal assistance services is another topic being considered.

Public hearings have been conducted and the final report is due to be forwarded to the Australian Government in September.

Announcement of review of sentencing

The ACT Government has announced a wide ranging review of the law in regard to sentencing in the criminal law jurisdiction. The Law Society will participate in the review and it will no doubt be of interest to many members. An inquiry into sentencing in the ACT is also currently being conducted by the ACT Legislative Assembly. The Society made a written submission to the Inquiry and appeared at a public hearing.

The Society expressed disappointment that the Periodic Detention sentence option is being discontinued. Our position is that the more well-structured and resourced sentencing options available the better. We support the development and introduction of an intensive supervision order option similar to that introduced in NSW, noting that appropriate resourcing must be made available. It is important that prisoners, parolees and those on supervised orders all have access to functioning programs that address underlying behaviour and other issues in a way that reduces the likelihood of recidivism.

An extension of the Restorative Justice program to adults and to include more offence types would be welcomed. The Law Society repeated its strong opposition to mandatory minimum sentences. We have advocated for a revision of the appeal process to allow for de novo appeals not requiring the appellant to establish error. The continuing high rate of imprisonment of Aboriginal and Torres Strait Islander people is another significant concern.

Statutory Interest Account

As a result of reduced interest rates, the surplus in the statutory interest account is considerably reduced from previous years. This means that the level of grants to legal assistance providers in the Territory from the SIA is significantly lowered. The Society in recent years has decided to augment the grant amounts from retained earnings. In 2013-14 the amount was approximately \$300,000, and a similar amount has been allowed for the 2014-15 financial year.

These top up amounts cannot be sustained into the future. We acknowledge that reduced grants impact directly on service delivery of legal assistance organisations, particularly the Legal Aid Commission ACT and note that it is vital that government — particularly the Commonwealth government — adequately fund the legal assistance sector.

National model law and national rules

The model law for a national legal profession has changed as compared to the Bill that was originally proposed. The law has been enacted in Victoria and NSW. Other jurisdictions including the ACT are considering their position in regard to adopting the national model. The ACT government has previously expressed concern as to the cost of joining the national profession and has taken a wait and see approach. With the move forward in NSW and Victoria the question is back on the agenda and the Council of the Society will review its position over the next few months.

National Conduct Rules have been settled following exhaustive debate. The most contentious issue for ACT practitioners has been the rules in relation to conflict of interest particularly in regard to real estate transactions. The national rules are different to the current ACT rules in that regard. The Council is now considering whether to adopt the national rules, irrespective of whether the ACT joins the national profession. We note that national rules in respect of admission, practice and compulsory professional development as required by the model law have yet to be finalised.

The death of Russell Fox

The Society noted with sadness the passing of the first Chief Judge of the Supreme Court, Russell Fox. I spoke at the ceremonial sitting of the Supreme Court to mark the contribution of His Honour to the Court and to the ACT.

Vulnerable road users

Together with Immediate Past President, Noor Blumer, I gave evidence on behalf of the Society to the Legislative Assembly Standing Committee inquiring into vulnerable road users in the ACT. The Society committed to assisting to provide a safer environment for vulnerable road users and noted that lawyers are usually involved after there has been an accident, in which case it is important to maintain a fair and effective CTP scheme. We also discussed strict liability and rebuttable presumption issues.

Canberra Centenary Time Capsule

The ACT Law Society was invited to be one of 100 organisations to contribute to the Canberra Centenary Time Capsule. We agreed. In view of our 80th anniversary coinciding with the centenary we decided to provide a copy of an invitation to the gala dinner together with the running sheet and menu for the evening. I also supplied a brief description of the event. We had collected press clippings that were available on the tables, and a selection of these have also been included.

Law Week

Law Week 2014 was a great success, raising \$11,070 for the Law Society Foundation.

ACT Law Week is the biggest event on our calendar. It is coordinated by the Law Society, and made possible with the generous support of our principal sponsor, Lawcover.

Other organisations involved in the running of Law Week events in Canberra include the ACT Bar Association, the ACT Legal Assistance Forum, the ACT Supreme Court, ACT Young Lawyers, the Alternative Law Journal, Legal Aid ACT, the Office of the ACT Director of Public Prosecutions, Scissors Paper Pen, the Women Lawyers Association of the ACT, and the Women's Legal Centre.

The Attorney-General Simon Corbell MLA launched Law Week, which this year was held in conjunction with the Golden Gavel speaking competition. The speakers were excellent, the crowd enthusiastic and the evening enjoyable. Congratulations to Soraya Saikal, who took home the prize and will go on to represent the ACT in the national competition that will be hosted by our Young Lawyers in Canberra in September. Our thanks to the Attorney, and to the Chief Justice and Chief Magistrate, who judged the competition.

Other social events included the Law Week Dinner hosted by the Women Lawyers Association of the ACT at the Lobby restaurant. Again we thank the Chief Justice, who was the guest speaker.

Thursday was Quiz Night, which is always a highlight and this year was no exception — the Young Lawyers Committee hosted a very entertaining evening. Philip Clark from ABC 666 breakfast kept things moving as a room full of lawyers, families and friends battled to call themselves the most knowledgeable trivia buffs. An impressive 25 teams competed, and the “High Wasted Blumers” came away with the spoils. Second place went to “Bombay Blumers,” and the Department of Immigration took home third. We extend thanks to the following businesses, who contributed items for the raffles — Moray & Agnew, Kazar Slaven, Legalsuper, Pulp Kitchen, and MJ Bale.

At the ANU Willows Oval on Friday the Six a Side Soccer Competition culminated in the grand final won by Elringtons “Elringo Stars”. And that night the Bar Association Cocktail Party gave everyone the opportunity to chat and unwind over a beverage or two.

We were privileged to have Justice Susan Kiefel AC of the High Court deliver the 2014 Blackburn lecture. Her Honour's topic was “The Individual Judge,” providing an insight into the issues faced when judges have to decide when to join a joint judgement as opposed to writing a single judgement. The Women & Justice Forum, run by the Women's Legal Centre, was a very popular event involving a panel discussion titled “Lean in or left out?” Ged Kearney, Margaret Thornton, and Alisa Taylor spoke eloquently regarding issues confronting women in the workplace.

The Society focussed on providing information to the public in relation to wills and powers of attorney throughout the week. Information sessions aimed at people without a legal background were organised by the Elder Law Committee. Many thanks to the lawyers who helped with these talks, and to those who provided advice on wills to the public at a special Legal Advice Bureau session at the Law Society offices.

Public tours of the Supreme Court were arranged by Court staff, and the ACT Legal Assistance Forum hosted a walking tour of the free legal services in the ACT.

A new initiative on this year's program was the Alternative Law Journal and Scissors Paper Pen launch of their Paper Weights program. This involved a workshop for young writers interested in writing on law reform and social justice issues.

Law Week 2014 closed with the Annual DPP Plate mock trial, which featured colourful, foul-mouthed witnesses, who risked the wrath of Justice Burns. Whilst the University of Canberra defence team prevailed at trial, the ANU was successful in lifting the Plate.

Law Week was a great success. Thank you to all involved in organising and presenting the various events, and in particular to the principal sponsor, LawCover.

CPD Overview

The Society aims to provide relevant and stimulating CPD offerings that will assist practitioners to fulfill their CPD obligations while enhancing and updating their knowledge and skills.

During the 2013-14 financial year, the Society offered CPD presentations in a variety of formats.

CPD Activities	Quantity	Attendees
Seminars (1 - 1 ½ hrs)	20	716
Workshops (3+ hrs)	4	64
Themed afternoons	5	370
Two day Intensive	1	152

The Society welcomes member feedback on the program and would be interested to hear any suggestions for future topics and speakers that would enhance our CPD program.

Members will have noticed that seminars are now being held at the ANU Commons Function Centre, located on Barry Drive on the corner of Kingsley Street. This venue is in a new building with ample parking which we hope will provide a more comfortable experience and environment for our members.

In addition to interstate and international speakers, our CPD program relies heavily on the voluntary contributions of local practitioners with expertise in particular areas of law. The Society is very appreciative of the time and effort our speakers devote to the preparation and presentation of seminars. We thank everyone who contributed to our program during 2013-14.

We also take this opportunity to thank our sponsor, legalsuper, for its ongoing support of our CPD program. Without its support we would not be able to offer quality courses at such affordable rates.

The Guidelines governing the ACT's CPD scheme are currently being reviewed and updated. Members will be advised when the review is complete and attention will be drawn to any significant changes.

Submissions and representations

During the year the Society prepared submissions and made representations on many subjects, including:

- Inquiry into Vulnerable Road Users
- Inquiry into Sentencing in the ACT
- Working With Children Checks (*Crimes Act 1914*).



Martin Hockridge, President

Corporate Overview

Role

The Law Society exists to:

- Represent, advance, and defend the interests of an independent legal profession in the ACT.
- Protect the public interest in the ACT system of justice through the efficient regulation of the profession in accordance with the Legal Profession Act and the Society's Rules for Solicitors.

The Council

The Council is the governing body of the ACT Law Society. It comprises 15 elected members and the Immediate Past President. In addition there are five Council-appointed observers. Councillors are elected by the membership of the Society.

Council convenes once a month. The Constitution of the Society vests the Council with the responsibility for the management of the Society's affairs, including income and property. Council meetings settle the policies of the Society, approve major Society submissions and lobbying activities, and decide all disciplinary matters.

Executive Committee

The Executive consists of five elected members, the Immediate Past President and a member appointed by the Council.

The Council has delegated to the Executive Committee the responsibility of overseeing the administration of the Society's activities and the implementation of Council policies. The Committee also considers applications for practising certificates and membership. Many of the matters considered by the Executive Committee require Council consideration and approval.

Council membership

The Council members for 2013-14 are:

President	Martin Hockridge, Hockridge Law Consulting
Vice Presidents	Greg Brackenreg, Meyer Vandenberg Kay Barralet, Campbell & Co
Secretary	Louise Vardanega, Australian Government Solicitor
Treasurer	Mark Tigwell, Certus Law
Council-Appointed Member	Allyson Hogan, Moray & Agnew (26/9/13 to 3/7/14)
Immediate Past President	Noor Blumer, Blumers Personal Injury Lawyers
Councillors	Angus Bucknell, Nicholl & Co Catherine Coles, Watts McCray Chris Donohue, Donohue & Co Allyson Hogan, Moray & Agnew (26/9/13 to 3/7/14) George Marques, HWL Ebsworth Lawyers Jennifer Newman, Blumers Personal Injury Lawyers Matt O'Brien, Legal Aid ACT Alison Osmand, Dobinson Davey Clifford Simpson Raoul Salpeter, Department of Health Damien Spendelove, Defence Legal

Council-appointed observers	Justice & Community Safety Directorate
	Women Lawyers Association of the ACT
	ACT Young Lawyers Committee
	School of Law, Australian National University
	School of Law, University of Canberra
	Australian Corporate Lawyers Association

Family Law	Rhonda Payget
Functions & Law Week	Bill Redpath
Government Lawyers	Peter Cain
Industrial Relations	John Wilson
International Lawyers	Greg Waddoups
Legal Professional Act & Ethics	Michael Phelps
Military Law	Don Malcolmson
Practice Management	Bill Baker
Property Law	John Chamberlain
Young Lawyers	Mitchell Strachan

Committees

Through its committees, the Society is able to look in detail at proposed legislation and its impact, not only on legal practice in the ACT, but the community's access to justice and the fairness and efficiency of the administration of justice.

The Society has sometimes taken strong stances either opposing or in support of proposed legislation, sometimes as a lone voice or with the support of other bodies.

The Society's Committees are governed by the *Committee Charter*.

The Law Society operates the following Committees:

Committee	Chair
Access to Justice & Human Rights	Walter Hawkins
ACT Legal Executives (ALEC)	Juliet Reeve
ADR	Kim Lackenby
Civil Litigation	Richard Faulks
Commercial & Business Law	John Irvine
Complaints	Ross Reid
Criminal Law	Michael Kukulies-Smith
Elder Law & Succession Law	Judy Morris
Equalising Opportunities in the Law	Allyson Hogan

Secretariat

The role of the Secretariat is to assist the Executive Committee in the daily running of the Society, and to implement the resolutions of Council.

Chief Executive Officer	Dianne O'Hara
Professional Standards Manager	Rob Reis
Finance & Business Services Manager	Lea McLean
Executive Secretary	Debbie Sims
Professional Development Officer	Yvette Luketic
CPD Program Officer	Margaret Ryan
Project Officer	Chase Deans
Communications Officer	Nicole Karman
Committee Administrator	Heather Jackson
Complaints Committee Secretary	Linda Mackay
Bookkeeper	Kathleen Lui
Receptionist & LAB Administrator	Robyn Guilfoyle

Contributions to the Community

Pro Bono Clearing House

Assessment Panel Members

- Martin Hockridge (Chair)
- Chris Pitson
- John Boersig
- Peter Woulfe
- Robert Dearn
- Genevieve Bolton
- Katy Grimes
- Amanda Graham
- Gavan MacKenzie
- Katharine Boiko
- Michael Palfrey

Overview

The ACT Pro Bono Clearing House (PBCH) was established in November 2004 to improve access to justice through the simple aim of trying to match people and organisations who are in genuine need of *pro bono* legal assistance with legal practitioners who are able to provide that assistance.

Applications are received from organisations and individuals and are assessed by the PBCH Assessment Panel, a changing panel of ACT legal practitioners, which meets weekly.

As at 13 August 2014, 54 applications had been received, which is the same number received this time last year. 51 were from individuals and three were from organisations. Of the 54 applications, 35 were successfully referred out to firms; 17 were unsuccessful because they did not have reasonable prospects of success, did not meet the means test eligibility criteria or did not have a legal issue; one withdrew their application; and another was referred to Victoria.

Since November 2004, the Clearing House has received 664 applications and has been able to refer 381 cases for pro bono assistance.

Due to the reduction in funding to Legal Aid and the Community Legal Centres, the Clearing House expects to receive more and more applications over time, which will definitely stretch its resources.

The Secondee System

The panel is assisted by a rotating 'operational secondee', a lawyer from a Canberra law firm or government agency who spends approximately three months working with the PBCH. Their primary role is to meet with potential applicants, assist them with preparing their PBCH application, provide a summary report to the panel and attend panel meetings.

Operational Secondees have been provided by Clayton Utz, the Australian Government Solicitors Office, DLA Piper, King & Wood Malleons, Minter Ellison, Meyer Vandenberg and Sparke Helmore. Bradley Allen Love and Dibbs Barker are two new firms that have come on board this year in providing an Operational Secondee.

The PBCH also benefits from a 'Policy Secondee' whose role is to focus on developing the strategic and policy side of the PBCH. Over the last couple of years King & Wood Malleons has provided the Policy Secondee on a long term secondment (6-12 months). Work is continuing on simplifying the application form, reviewing the suite of letters sent to applicants and referees and updating the Operational Secondee Manual.

2014 Snapshot

This year the Clearing House will be celebrating its tenth birthday in November. It has been a very successful initiative by the Society.

During the course of the year the PBCH has been averaging three to four applications per week.

In June, the Presidents of both the Law Society and the ACT Bar Association sent a joint letter to firms seeking their assistance and encouraging them to become involved in the Clearing House.

The Clearing House is always looking for more firms to accept referrals in all areas of law, but particularly in the area of criminal law, employment law and debt, as these appear to be the growing areas.

Thank you to all the secondees, panel members and firms who have provided their assistance over the past year.

Debbie Sims, PBCH Administrator

Legal Advice Bureau

The Law Society has been operating its Legal Advice Bureau (LAB) at lunchtimes for more than 40 years. Members of the Society volunteer on our LAB roster at the Society's Civic office to give initial advice to any member of the public who wishes to call and make an appointment.

The LAB is supported by more than 70 lawyers who freely volunteer their time.

The total number of clients seen by the LAB in the reporting period was 1209, a 3.5 per cent increase on last financial year. The main areas of law clients seek advice on are property and tenancy, family law, contracts, and employment.

Month	No. of clients
July	131
August	113
September	80
October	111
November	98
December	43
January	85
February	99
March	114
April	102
May	123
June	110
Total	1209

Topic	No. of clients
ACAT	13
Builder	53
Business	36
Contract	126
Criminal	75
Debt / Finance	73
Employment	126
Family	129

Medical	22
Migration	4
Motor vehicle accident	39
Personal injury	18
Property and tenancy	250
Wills / Power of Attorney	75
Workers compensation	24
Other	146
Total	1209

Prizes for Academic Excellence

The ACT Law Society funds prizes for academic excellence at the University of Canberra and the Australian National University.

At the University of Canberra

Prize	2013 Winner
ACT Law Society Prize for the Highest Achieving Student in Contract Law	Nicholas Otevrel
ACT Law Society Prize for the Highest Achieving Student in Equity Law	Noni Nelson
ACT Law Society <i>Canberra Law Review</i> Prize	Michael McCagh

At the Australian National University

Prize	2013 Winner
Law Society of the Australian Capital Territory Prize for Contracts	Katherine Byron
BC Meagher Prize for Commonwealth Constitutional Law	Bernice Chuang Yue Chen Jacqueline Williams
Liz and Bill Allen Prize for Practical Legal Training	Tahlia Shaw Jessica Millington

Donations

In the 2012-13 financial year the Society established the ACT Law Society Foundation as a Centenary of Canberra project. The foundation is a charitable fund which will support Canberra's charities and other worthy causes. The Foundation's initial capital will come from the proceeds of Law Week over three years, matched by funds from the Society.

In the 2013-14 financial year the Society donated \$22,140 to the Foundation (consisting of Law Week proceeds of \$11,070 and a matched donation by the Society).

The total amount in the Foundation is now \$49,878.

Committee Reports

Access to Justice & Human Rights

The Access to Justice & Human Rights Committee added Human Rights as part of its responsibility in May 2014, timely as July saw the ten year anniversary of the introduction of the *ACT Human Rights Act* in 2004.

The committee has begun work on developing local *pro bono* guidelines to supplement the National Guidelines with the aim of ensuring the guidelines will incorporate best practice record keeping and other ACT specific information. Re-running the *pro bono* survey in 2015 remains under consideration.

Reduction in Commonwealth funding to Legal Aid and Community Legal Centres notwithstanding, increased legal need has led to many challenges for those organisations and their clients. The committee has been actively exploring opportunities and possible need for increased volunteers at CLCs. We are also maintaining close communications with CLCs to see how this might be best managed, particularly the opportunities presented by the new CLC Hub.

Reserved judgements are now less of an issue but the committee is still monitoring allocation of hearing dates particularly in the Supreme Court and Court of Appeal.

The committee continues to provide representation to the Legal Aid Commission, ACTLAF and the Law Council Access to Justice Committee.

— *Walter Hawkins*

Committee Members

- Walter Hawkins (Chair)
- Dr John Boersig (from November 2013)
- Andrew Crockett (to October 2013)
- Dr Natalie Cujes
- Simon Henderson
- Pam Jenkins (from May 2014)
- Amy Kilpatrick
- Don Malcolmson
- Athol Opas
- Simon Rice
- Gary Tamsitt
- Heidi Yates
- Heather Jackson (Committee Administrator)

ACT Legal Executives (ALEC)

The ACT Legal Executive Committee (ALEC) meets monthly. The committee consists of practice managers, office managers, human resource managers, IT professionals and other business services staff.

Over the 2013-14 period, ALEC's main focus has been to promote best practice within the legal industry. We have been focusing on reaching out to those in our region and field who may not have much day to day contact with other firm managers, offering our resources and making available information and experience in a wide range of areas affecting legal managers. We have hosted a social event aimed at facilitating networking possibilities.

ALEC continues to write/source interesting articles, which we publish in the ALEC newsletter. The ALEC newsletter aims to provide topical articles, information on up-coming seminars and general tips on best practice.

— *Juliet Reeve*

Committee Members

- Juliet Reeve (Chair)
- Sonya Amey
- Tanya Berlis
- Stacy Cave (from October 2013 to March 2014)
- Alanna Davis (from October 2013)
- Amanda Francis (from October 2013)
- Sue Hayes
- Simone Hijazi (from November 2013 to February 2014)
- Magda Kaczmarek
- Fiona Lewis
- Judy Morris (from March 2014)
- Rosemary Orr
- Luke Smee (from March 2014)
- Corinne Smith (from March 2014)
- Joanne Swindley
- Pauline Thorn
- Emily Wannan
- Heather Jackson (Committee Administrator)

ADR

The ADR Committee has been pleased to see the increasing recognition of the desirability of just, quick and cheap resolution of disputes through mediation and other forms of dispute resolution in appropriate contexts.

In March and April 2014, the Supreme Court provided four consecutive weeks of mediations mainly of matters identified as falling into the category of inactivity or age since filing and covering civil disputes as well as many personal injury cases. A member of the committee, Bryan Meagher SC, was one of the mediators involved, and wrote a reflection on his experience for publication in *Ethos*. It is hoped that there will be future rounds of block mediations in the Supreme Court.

Another member of the committee, Harry Kay, has been representing the Law Society on the ACT Magistrates Court and ACAT Review of ADR Processes, which aims to examine options to improve ADR and reduce the use of judicial and quasi-judicial resources and consequently reduce waiting times and improve access to justice for the ACT community.

These developments should, in time, instil or reinforce a culture of cooperative approaches in litigation that recognises the advantages of mediation and ADR.

This year, the committee has farewelled members Michael Flynn and Kate Maloney, and we have welcomed Rod Badgery, Emma White and Jane Woodward to the group. My thanks go to all who have been members of the committee during 2013-14 for their contributions and efforts.

— *Kim Lackenby*

Committee Members

- Kim Lackenby (Chair)
- Rod Badgery (from December 2013)
- Graeme Blank
- Greg Brackenreg
- Michael Flynn (to September 2013)
- Annie Glover
- Stephen Herrick
- Harry Kay
- Claudia Maclean
- Kate Maloney (to February 2014)
- Bryan Meagher
- Nithya Sambasivam
- Caterina Salsone
- Emma White (from April 2014)
- Jane Woodward (from April 2014)
- Heather Jackson (Committee Administrator)

Civil Litigation

The Civil Litigation Committee has met every month during the current period and continued to focus on issues affecting civil litigation.

One issue that has continued to remain on the agenda is the potential reform of CTP and workers compensation laws. Although no fresh legislative changes have been tabled, a working party has continued to consider potential changes and carried out lobbying work as appropriate. Further, in the CTP area, the government introduced changes by way of legislation to bring the CTP scheme into the long term care associated with the NDIS. The committee reviewed the legislation and made some comments on behalf of the Society about issues associated with those changes.

There have also been suggested changes to the way in which civil actions will be dealt with in the Courts, and the Master has prepared a draft Practice Direction relating to all aspects of civil litigation which, to some extent, will supplement or even replace the previous docket system. Members of the committee with the assistance of former President Noor Blumer have responded to that Practice Direction and the matter is ongoing.

The Magistrates Court is also looking to introduce changes to the way in which workers compensation matters are dealt with. There has been input given to Registrar Amanda Nuttall, and it is anticipated further work will be done on that in the coming months.

I continue as the Law Society's representative on the Joint Rules Advisory Committee and have been able to suggest some changes to the Court Rules to assist members of the Society in their civil litigation work. I also report back to the Civil Litigation Committee about rule changes or changes to relevant forms, and the committee ensures the profession is advised through *Hearsay* or CPD seminars.

The committee continues to enjoy the benefit of input from the Registrars of the Supreme Court and the Magistrates Court and also from a representative of ACAT. This has enabled the members of the committee to give timely feedback about any issues relating to the workings of the Court.

From time to time the Law Society Council has also referred other legislation or proposed reforms to the committee for comment and input.

I thank the members of the committee for their contributions over the past year on a variety of different issues and I look forward to working with them again in the months to come.

— *Richard Faulks*

Committee Members

- Richard Faulks (Chair)
- Graeme Blank

- Angus Bucknell
- Annie Glover
- Steve Hausfeld
- Walter Hawkins
- John Henry
- Hugh Jorgensen (to February 2013)
- Harry Kay
- John Little
- Sarah McJannett
- Athol Morris
- Matthew Needham
- Russell Patrick
- Amanda Nuttall (from March 2013)
- Phil Schubert (from September 2012)
- Heather Jackson (Committee Administrator)

Commercial & Business Law

The Commercial & Business Law Committee has continued to enjoy strong support from the profession this year, with its members drawn from both private and government sectors and, of those practising within the private sector, firms ranging from large to sole practitioner. The committee therefore has a significant range of skill and experience.

The committee actively pursued more informative meetings this year, having received presentations from relevant experts on the Personal Property Security Regime, changes to the *Privacy Act* and issues around business succession planning. Further presentations in the coming weeks will also include issues around relevant insurances.

Some longstanding work of the committee in relation to powers of attorney has, unfortunately, been unable to be resolved through no lack of effort or initiative on the committee's part. Other initiatives, like the standard law society business sale document, whilst dormant for the past year are about to come to life as impediments to their finalisation are removed.

I would take the opportunity to thank each of the committee members for their continued support and efforts over the past year.

— *John Irvine*

Committee Members

- John Irvine (Chair)
- Erin Anderson (from May 2014)
- Allan Bedford
- Michelle Bennie (from September 2013 to May 2014)
- Michelle Finegan
- Doug Gillespie
- Lauren Gray
- David Hanstein
- Richard Lewis
- Chris Macphillamy

- Geoff Nicoll
- Lora Shaw
- Brian Tetlow
- Jason Wenning
- Amanda Wescombe
- Heather Jackson (Committee Administrator)

Complaints

The Complaints Committee dealt with 100 formal complaints received during the reporting year, 29 more than the previous year. In addition to the handling of the formal complaints received, our Professional Standards Manager, Robert Reis, and Complaints Secretary, Linda Mackay, have dealt with approximately 500 enquiries received from practitioners and 600 from members of the public.

To assist practitioners, an analysis of the complaints received has been carried out. This analysis indicates the type of conduct raised in the complaints. In relation to the type of the complaints, the major areas of law and concern were:

Area of Law	Complaints
Family Law	29
Conveyancing	19
Civil Litigation	17
Criminal Law	4
Personal Injuries/Medical Negligence/ Workers Compensation	5
Wills & Probate	8
Employment	10
Other	8

Type of matter	Complaints
Costs	19
Failure to communicate	9
Failure to follow instructions/acting without instructions	21
Misleading advice	6
Possible negligence	2
Discourtesy/bullying and intimidatory behaviour	17
Conflict of interest	20
Delay	8
Trust account irregularities	2
Quality of service/lack of competence and diligence	27
General conduct	19

Of note, there has been a considerable increase in the number of complaints relating to conflict of interest and discourtesy by practitioners.

Complaints that could result in disciplinary action are referred to the Council of the Law Society for further consideration. The Council has the discretion to either summarily conclude or prosecute the complaint. Prosecution of complaints under section 419 of the *Legal Profession Act 2006* are referred to the ACT Civil and Administrative Tribunal (ACAT).

During the reporting period, 48 complaints were dismissed pursuant to section 399, ten complaints were dismissed pursuant to section 412; two were summarily dealt with pursuant to section 413 and five matters were filed with the ACAT.

There are currently 13 disciplinary matters filed in ACAT or the Supreme Court of which seven have been heard. Six findings of professional misconduct or unsatisfactory professional conduct by ACAT are currently the subject of appeal in the Supreme Court. Decisions are pending in two ACAT matters.

Two matters dismissed by the Complaints Committee pursuant to section 412 were appealed by complainants. One of these appeals was dismissed by ACAT and the other is still under consideration.

My gratitude is extended to Robert Reis and Linda Mackay and all members of the committee for their hard work and dedication over the past year.

— *Ross Reid*

Committee Members

- Ross Reid (Chair)
- Allan Bedford
- Mary Burgess
- Amy Burr
- Sally Campbell
- Michael Deasey
- Jim Dunn
- Maurice Falcetta
- Bridie Harders
- Vivien Holmes
- Gavin Howard
- Ken Hubert
- Tracey Mylecharane
- John Solomon
- Alisa Taylor
- Mark Tigwell
- Gillian Yeend
- Linda Mackay (Committee Administrator)

Criminal Law

The last twelve months have seen a number of changes within the criminal jurisdiction in the ACT.

We have welcomed the new Chief Justice Helen Murrell to the jurisdiction. It has been a pleasure to meet and discuss matters of criminal practice in the ACT with the

Chief Justice and look at ways that criminal procedure may be further streamlined. Her Honour has taken a significant first step in this regard with the introduction of central criminal listings within the Supreme Court. This has resulted in a series of block sittings within which criminal matters are listed in a rolling list format. This reform has already reduced waiting periods for criminal trials. There is now the possibility that many trials will be heard within six months of committal to the Supreme Court. This is a significant improvement and one the profession supports.

Reform in the Magistrates Court is imminent also, with the committee continuing to work with Chief Magistrate Lorraine Walker to reform the A-List and case management processes. Bail hearings have increasingly become problematic in the Magistrates Court, with lengthy bail hearings delaying other matters and occupying large periods of Magistrates time in the A-list. It is hoped that reforms will be able to free up the A-list for other matters as well as reduce the time those in custody have to wait for their bail application to be heard.

In respect of law reform there have been many changes to the law especially traffic legislation that has seen the introduction of drug driving offences and an interlock scheme. There are many issues on the horizon with the most significant being to sentencing laws which are undergoing a further review following on from the Legislative Assembly's sentencing enquiry (at which a member of the committee gave evidence). The need for a review of sentencing options has been prompted in part because of the announced abolition of periodic detention.

As ever I wish to thank all members of the committee for their continued work and attendance. Special thanks go to Richard Davies who has chaired several meetings in my absence. Thanks also to Peter Woodhouse, Shane Gill, Andrew Fraser, and Paul Edmonds who have all undertaken drafting of submissions on behalf of the committee.

— *Michael Kukulies-Smith*

Committee Members

- Michael Kukulies-Smith (Chair)
- Lorana Bartels
- Helen Cory
- Richard Davies
- Paul Edmonds
- Andrew Fraser
- Shane Gill
- Annie Glover
- Janet-Lee Hibberd (from March 2014)
- Michael Lalor
- James Lawton
- Brian Liddy
- Cindy Lim (from September 2013)
- John Lundy

- Craig Lynch
- Victor Martin
- Amanda Nuttall
- Jacob Robertson (from December 2013)
- Peter Woodhouse
- Heather Jackson (Committee Administrator)

Elder Law & Succession Law

The committee has had a very busy year.

As always, I am grateful and fortunate for the wonderful mix of committee members, comprising private practitioners, representatives from the ACT Government Solicitor's Office, the Aged Care Law Practice Group of the Department of Health & Ageing, the Department of Defence, the ACT Supreme Court, the Department of Social Services, the ACT Public Trustee's Office, and the ANU Law Faculty.

Over the past 12 months we have had some long-standing members step down or retire — Dwayne Currie, Margaret Horne, Sue La Peyre, Toni Leiper, Marlene Hall and Vivienne Sinderberry. I am very grateful for their valuable contribution during their time on the committee.

During the year we have had some wonderful speakers at our meetings such as Marlene Hall, Special Counsel, Aged Care Law from the Legal Services Branch of the Department of Health & Ageing. She gave an excellent presentation to both the committee and members of the Law Society on the aged care reforms which came into effect from 1 July 2014 — there will be a CPD event later in the year to update us on those changes.

Some further speakers coming in the next few months are Linda Crebbin, General President of ACAT, and a speaker from the Office of Regulatory Services to talk about the Working with Vulnerable People Check.

We have tried to make each meeting worthy of attendance by arranging speakers to update us not only about legislative changes in the ACT, but also changes within our community, and matters of interest on topical issues to keep us informed so we can assist and advise our clients and the general community of the ACT.

Some of the changes we have contributed over the past 12 months were:

- Amendments to the *Family Provision Act 1969* whereby the timing to lodge a family provisions claim against an estate has been reduced to six months from the date of administration.
- There will be some further minor changes to the *Administration and Probate Act* and the *Powers of Attorney Act*.
- Review of the Retirement Village legislation is under way and input from practitioners has been requested through *Hearsay*.

- There is a new *Retirement Villages Handbook* put out by the ACT Government which is of great interest to any resident looking to move into retirement living.

In March each year we have a stall at the Seniors Expo at the Exhibition Centre in Mitchell. This is always well-attended and an excellent opportunity for the Law Society to make contact with the community and allow them to see the areas of law in which our committee practices, but also an easy forum to allow the community to contact the Law Society.

As part of Law Week in May, members of the committee addressed various local community groups to discuss the importance of having a current Will and an Enduring Power of Attorney — these discussions were well attended and will be a feature next year as well.

Other legal issues which are often discussed by the committee are Powers of Attorney, and trying to criminalise elder abuse (financial, physical and emotional) by initiating legislation to follow the changes made in the past few years in Victoria and New South Wales.

I encourage members of the Law Society to attend our meetings, and our speakers are always advertised in *Hearsay* — I extend an open invitation to you all.

I want to personally thank my committee members for their time, support and enthusiasm in assisting our ageing population.

— *Judy Morris*

Committee Members

- Judy Morris (Chair)
- Glenda Bloomfield
- Grant Kennealy
- Jill McSpedden
- Barbara Maguire
- Tim Morton
- Shelley Mulherin
- Mark Phillips
- Paul Salinas
- Loretta Zamprogno
- Katie Binstock (from April 2014)
- Geoff Gunton (from February 2014)
- Margaret Horne (from November 2013 to May 2014)
- Elsa Kennett (from June 2014)
- Rebecca Tetlow (from April 2014)
- Heather Jackson (Committee Administrator)

Family Law

The Family Law Committee considers, and where appropriate, provides input into inquiries relevant to family law. For example, the committee provided comment on:

- proposed changes to ACT domestic/family violence and sexual assault laws and practice;
- certain issues raised by the Productivity Commission's Inquiry into Access to Justice Arrangements; and
- the House of Representatives Committee Inquiry into the child support program.

As the Society does not have a specific committee to consider matters relating to children's law, the committee has taken an interest in the care and protection jurisdiction. One of the projects undertaken is the updating of the *Guidelines for Lawyers Representing Children and Young People in Care and Protection Matters in the ACT Children's Court*.

An important role of the committee is liaison with the Judges and Magistrates so that matters of concern to the profession can be discussed. Together with the President and the CEO of the Law Society, the committee met with His Honour Deputy Chief Justice Faulks from the Family Court of Australia. Committee members also met with Magistrate Fryer to discuss Children's Court matters.

The committee has organised a number of social events for family lawyers, including a well-attended welcome to Judge Hughes from the Federal Circuit Court of Australia.

Various members update the committee each month on matters of interest such as collaborative law, issues in superannuation cases, and important family law cases. Mr Farrar reports regularly to the committee on the work of the Family Law Section of the Law Council of Australia.

An observer from the Legal Workshop at the Australian National University attends each committee meeting, to continue the strong relationship that exists between the profession and academics teaching family law.

The committee is pleased to announce that its own webpage in the ACT Law society's website is being developed, which we trust will be useful to family law practitioners.

— Rhonda Payget

Committee Members

- Rhonda Payget (Chair)
- Adam Bak
- Stephen Bourke
- Mary Burgess
- Brooke Crompton
- Andrea Evans

- Denis Farrar (observer)
- Gavin Howard
- Liz Keogh (observer) (from December 2013)
- Pam Lyndon
- David Ridge (to March 2014)
- Margie Rowe (observer) (from December 2013)
- Di Simpson
- Carlos Turini
- Heather Jackson (Committee Administrator)

Functions & Law Week

The re-generation continues, although we have lost a huge contributor (and a clear replacement for me as Chair), with the retirement of Charmaine Tunn.

We continue to struggle with the opening of the Legal Year, with poor attendances at the secular opening and the drinks. We will be looking for a more convenient venue next year.

Our members' lunch program continues to thrive with lunches at Blue Ginger, Thirst Wine Bar, the Christmas Lunch at Chairman and Yip, and a return to Soju Girl in March.

The 80th Anniversary birthday bash at the National Arboretum was a huge success.

Similarly, we saw out the Hon Chief Justice Terence Higgins AO at the Boathouse and welcomed the new Chief Justice Helen Murrell at the Commonwealth Club.

The "Gods" of golf continue to mistreat us. Having moved to just one golf day a year, the event was rained out twice.

Moving to Law Week, the Golden Gavel continues to trouble us. This year we held an evening cocktail function at the "As You Like It" Cafe. Although the speeches were an improvement, the venue and format were not. We will keep trying.

The Blackburn Lecture returned to an evening format with an informative lecture from The Hon Justice Susan Kiefel of the High Court.

The Women Lawyers Dinner was a success as attendees saw the lighter side of Chief Justice Murrell.

As usual, the Law Week Quiz night was a roaring success, with Blumers Lawyers taking out first and second.

To cap it off, lawyers regained the soccer trophy from the accountants with Elringtons "Elringo Stars" beating Kazar Slaven in the final.

Thank you to the Supreme Court for once again putting on Law Week Court Tours and the ACT Bar Association for its Law Week drinks.

Overall, Law Week raised \$11,070.

We are still working on the “family friendly” event as requested by members, and we will finish the year with a Christmas lunch at the Chairman.

Cheers!

— *Bill Redpath*

Committee Members

- Bill Redpath (Chair)
- Adam Bak
- Rod Barnett
- Chris Harris
- Cristina Huesch
- Cindy Lim (Young Lawyers representative)
- David Metcalf
- Jamie Ronald
- Tamara Sullivan (Women Lawyers representative)
- Svetlana Todoroski (ACT Bar representative)
- Charmaine Tunn (to 6 June 2014)
- Nicole Karman (Communications Officer)

Government Lawyers

The Government Lawyers’ Committee has a focus on government lawyers and private practitioners involved with government law, both Commonwealth and ACT. The committee is comprised of lawyers from the Commonwealth, the ACT, and private practice. It has met approximately every two months over the last financial year. Committee members have contributed to the presentation of two CPD afternoons, three evening drinks functions, and to the Society’s consideration of a number of issues concerning government law.

The committee held a CPD event in each of November 2013 and March 2014. The November event featured Justin Gleeson SC, Commonwealth Solicitor-General, while in March seminars were provided on all three core areas, including two options for each of Practice Management and Business Skills, and Professional Skills. These attracted a high number of attendees and during the March afternoon over 100 different practitioners attended.

The committee also organised three evening drinks functions at which an invited guest spoke about the relevance of their work within the government law arena. These guests were the Hon Dr Andrew Leigh MP, Federal Member for Fraser; the Hon Justice Helen Murrell, Chief Justice of the ACT Supreme Court; and Kathy Leigh, ACT’s Head of Service.

An important initiative of the committee was to recommend to the President that a current member of the Young Lawyers’ Committee, Tess Hemming, join the committee — this appointment was effective from 7 July 2014. This provides opportunities to explore means by which both committees can provide encouragement

and support to newly admitted lawyers, especially those with a connection to government law. The potential of this relationship includes supporting each other’s CPD functions and social events, with the hope that this will also demonstrate the benefits of strong, committee-level connection.

I’d like to thank the committee members for their enthusiastic support for the committee’s agenda and for providing input into Law Society submissions as requested. Special thanks must go to Chase Deans, the society’s policy officer, for supporting the committee with all of its administration. It has also been most encouraging that the society’s CEO, Dianne O’Hara, attends most of our meetings and many of our functions. Final thanks must go to departing member Christopher Behrens for chairing the committee for nearly four years and his diligent work was acknowledged by committee members at a lunch late last year.

I look forward to another productive year of activity with my fellow committee members.

— *Peter Cain*

Committee Members

- Peter Cain (Chair from 1 January 2014)
- Christopher Behrens (Chair to 30 December 2013)
- Lindsay Aquilina (to 30 June 2014)
- Sasha Bellamy
- Alex Brook
- Caroline Bush
- Elissa Clarke (to 31 January 2014)
- David Fintan
- Rohan Goyne
- Brian Kildea
- Athol Opas
- Christine Plevey
- Anne Saunderson
- Lora Shaw
- Tetyana Wotton
- Andrew Yuile
- Chase Deans (Committee Administrator)

Industrial Relations

The Society’s Industrial Relations Committee meets to consider industrial relations and employment issues relevant to the profession in the ACT and, through the Society, to advise members of developments in this area where appropriate.

This year, issues that the committee has considered included:

- preparation of brochures on general employment issues (such as dismissal, bullying, workplace injury, discrimination and wages and entitlements),

- the issue of non-legal professionals preparing instruments such as enterprise agreements for a fee,
- CPD seminars for inclusion in the Society's Program,
- the engagement of nannies, housekeepers and *au pairs*,
- reviewing court procedures for handling *Fair Work Act* claims,
- a submission to the Law Council of Australia on the *Fair Work Amendment Bill 2014*, and
- the Fair Work Commission's four year review of modern awards.

— *John Wilson*

Committee Members

- John Wilson (Chair)
- Allison Ballard (from August 2013)
- Alan Campbell
- Susan Dalliston (from August 2013)
- Deborah Mackenzie
- Don Malcolmson
- Jamie Ronald
- Giri Sivaraman (to April 2014)
- Ben Tallboys (from August 2013 to December 2014)
- Heather Jackson (Committee Administrator)

International Lawyers

Since its formation just over a year ago, the International Lawyers Committee has set its key objectives as:

- providing a forum for discussion of international legal issues;
- facilitating growth of networks between ACT-based international lawyers and introduce newly arriving international lawyers to the community;
- providing an opportunity for arriving international lawyers to raise concerns and issues with the Law Council of Australia;
- reaching out to international lawyers in other jurisdictions;
- drawing on the experience of international lawyers for ACT practitioners; and
- encouraging law societies in other jurisdictions to join ACT in working towards these objectives.

The committee has met every two months to discuss areas of interest and to plan various seminars and publications.

The first of those seminars, "International Commercial Arbitration in Australia — Today and Tomorrow", was held on 2 June 2014, featuring speakers Peter McQueen, Director of the Australian Centre for International Commercial Arbitration (ACICA), and John Cooper and Damian Watkin from the Sydney office of the law

firm Jones Day. The committee is currently planning a second seminar to be conducted together with the International Law Association later this year. Members of the committee have published on various international law topics and are currently working on a publication from the Arbitration Seminar.

The committee has met with and established working relationships with the Australian National University (ANU) Centre for Public and International Law (CPIL), and the ACT branch of the International Law Association.

— *Gregory Waddoups*

Committee Members

- Gregory Waddoups (Chair)
- Paul Armarego
- John Harwood (from January 2014)
- Gordon Hughes (observer) (from November 2013)
- Stewart James (to September 2013)
- Nicola Knackstredt (to March 2014)
- Derya Koc-McDonald (to April 2014)
- Angeline Lewis
- Don Malcolmson
- Barbara Pearson
- Felicity Molan (to September 2014)
- Tracy Reid
- Jason Soderblom
- Kai Zhang
- Heather Jackson (Committee Administrator)

Legal Professional Act & Ethics

During the year a number of long-standing members retired from the committee because of work commitments or changed circumstances and I thank each of them for their valuable contribution to the deliberations of the committee.

In the latter half of the reporting year, the Society was fortunate to be able to appoint a number of senior members of the profession to fill the vacancies and, as you will observe, there is a wealth of experience within the present membership.

The committee met on six occasions throughout the year and on other occasions dealt with business on an as needs basis out of session.

The committee's charter includes identifying anomalies within the *Legal Profession Act 2006* or other issues where legislative amendment would be desirable and drafting submissions on the Society's behalf.

Another important function of the committee is to rule on ethical issues which are brought to it, including those from individual members of the profession.

Many of the issues which were considered by the committee throughout the year were the subject of thought provoking and stimulating discussion, and where appropriate, reports will be published of those topics which may be of interest and benefit to members of the profession through *Ethos*, *Hearsay*, and on the Society's website.

The committee has also urged the Society to adopt the *Australian Solicitors Conduct Rules* to replace the present rules, being the subordinate legislation, *Legal Profession (Solicitors) Rules 2007*.

Finally, I extend my gratitude to our Committee Administrator, Heather Jackson, and fellow members of the committee both past and present.

— *Michael Phelps*

Committee Members

- Michael Phelps (Chair)
- Paul Armarego
- Trevor Barker (to March 2014)
- Madelin Bayer
- John Buxton (from May 2014)
- Jennifer Crawley
- Christine Harvey (to March 2014)
- Tom Howe QC (to April 2014)
- Bryan Meagher SC (from May 2014)
- Athol Opas (from May 2014)
- Rob Reis
- Gerald Santucci
- Dianne Simpson (from May 2014)
- Ross Watch (from May 2014)
- Gloria Wong (to October 2014)
- Heather Jackson (Committee Administrator)

Military Law

Military Law Committee members include Australian Defence Force Legal Officers, both regular and reserve, private practitioners with an interest in military law, and Government lawyers, including those working in the area of Defence.

This year, the committee took steps to move from an ad hoc meeting schedule, to regular two-monthly meetings. The committee has met four times during 2013-14.

The committee has considered a range of matters, with significant consideration given to the role that the committee can perform to advance the broad interests of Law Society members. In this regard, the committee has considered its contribution to Law Society CPD seminars, and has been working to identify a range of military-specific topics that overlap with broader practice areas within the ACT.

The committee continues to monitor and consider matters of relevance to military law, military service and government and private practice in the ACT.

The committee is continuing to develop its agenda and welcomes membership from all areas of the profession.

— *Don Malcolmson*

Committee Members

- Don Malcolmson (Chair)
- Ben Biddington (from August 2013)
- Anthony Blucher (to August 2013)
- Barbara Campbell
- Richard Cawte
- Richard Crane (from August 2013)
- Chris Coles (to August 2013)
- Paul Crabb (from August 2013)
- Natalie Cujes
- Max Emanuel (to August 2013)
- Emmanuel Ezekiel-Hart (to August 2013)
- Mark Fitzpatrick (to August 2013)
- Kelly James (from August 2013)
- Josh Kelly (from August 2013)
- James King
- John Lundy (to August 2013)
- Lynette McDade (to August 2013)
- Matt O'Brien (to August 2013)
- Gerard O'Shea (from August 2013 to January 2014)
- Susan Penn (to August 2013)
- Peter Sutherland
- Glenn Theakston
- Christopher Ward (to August 2013)
- Paul Wilkinson (to August 2013)
- John Wilson (to August 2013)
- Heather Jackson (Committee Administrator)

Practice Management

The Practice Management Committee conducted two courses for members wishing to obtain their Unrestricted Practising Certificate. They ran on the weekends of 18-20 October 2013 and 28-30 March 2014. The format of completing each of the courses over the one weekend is proving to be extremely popular. A total of 40 participants attended the courses over the two weekends.

The courses contained modules in ethical dilemmas, tax effectiveness, managing and maintaining staff, trust accounting and employment issues. Participants surveyed at the conclusion of each course found the topics to be relevant and beneficial. The committee will continue to meet to consider course content and feedback from participants.

I thank the members of the committee and again acknowledge the work that Linda Mackay contributes. Her contribution to the committee and to the course is quite outstanding.

— *Bill Baker*

Committee Members

- Bill Baker (Chair)
- Graeme Blank
- Paul Crawford
- Phillip Davey
- Robert Reis
- Gary Tamsitt
- Paul Vane-Tempest
- Linda Mackay (Committee Administrator)

Property Law

The Property Law Committee continued to meet monthly over 2013-14. The committee also continues to actively promote the interests of members and the wider community, and to provide policy submissions and technical expertise to government in the broad areas of property and planning law. One could say business as usual, however our agenda of items in which to discuss, make submissions to government and notify members of changes in policy, procedure and legislation is ever increasing.

Along with the increasing volume of issues with which we deal, the committee has expanded to 16 members. Whilst we have retained the knowledge and experience of our longer standing members we have also added four new members, injecting a fresh perspective and avoiding the committee stalling.

The committee continues to have open discussions with the ACT Revenue Office on issues such as:

- the removal of stamp duty on long term leases and the advent of a new head of 'premium lease duty';
- electronic stamping, both in the short term and long term (long term to coincide with the E-Conveyancing);
- land rent leases;
- the decision of *Araghi & Dorsett* and its implications;
- timeframes for determinations on objections; and
- cleaning up smaller issues such as land tax on 'company title' properties and land tax and occupation arrangements between buyers and sellers.

This year the committee put submissions to the government on various issues including unit titles, premium lease duty, a proposal by the Shopping Centre Council to carve out some commercial agents from the Agents Act, along with smaller 'clean up' issues.

The committee has formed a 'red tape reduction' subcommittee with a view to reducing regulation where it hinders more so than it helps.

The committee keeps a close eye on the progress (or lack thereof) of E-Conveyancing both in the Territory and in Australia.

The re-write of the standard terms of the Contract for Sale was finalised in June 2013 and the committee ran two CPD seminars in 2013-14. The first was a seminar on the new Contract for Sale on 12 September 2013. The second was titled "Property Law Afternoon" and was held on 29 October 2013.

I sincerely thank the members of the committee who generously give of their time and expertise, many of whom have done so for a long time. Their hard work and efforts provide a great benefit to all members of the profession and ultimately to the community we all serve.

— *John Chamberlain*

Committee Members

- John Chamberlain (Chair)
- Maggie Chapman
- Alfonso del Rio
- Michael Flynn (to September 2013)
- Ruth Harris
- Geoff Hay
- Mussa Hijazi
- Michael James
- Roberta McRae
- Adam Peppinck
- Mark Poretti
- Murray Raff
- Helen Rodriguez
- Peter Romano
- David Toole
- Peter Waight
- Chris Wheeler
- Heather Jackson (Committee Administrator)

Young Lawyers

The ACT Young Lawyers Committee meets once a month with the aim of advancing the interests of young lawyers within the Territory through various means, including regular social, networking and CPD events, as well as a mentor program that was launched this year.

In 2013-14, the Young Lawyers Facebook page was launched to encourage Young Lawyers to attend our events. This proved to be a successful launch and has been and currently is being managed by Joshua Kelly. Given the popularity the committee's Facebook page, the committee is now preparing submissions for the Law Society to launch a LinkedIn page.

The committee held a large number of well attended social events throughout the year. Our Young Lawyers Drinks were moved to a new location this year to coincide with the admission ceremony dates and it proved to be successful in terms the turnout on each occasion. A decision was made in June 2014 to move the drinks back to Uni Pub as it is now becoming a popular venue again. These regular social drinks on admission days have

proved to be a successful means of introducing newly admitted lawyers to the Young Lawyers Committee and to advise them of upcoming events. For admissions, we are seeking to organise a roster for barristers to move young lawyers to make it more of an occasion for them.

The annual wine tasting day in 2013 was a great success again with a full busload of young lawyers enjoying an afternoon of good food and wine amongst the vines at Long Rail Gully. Gary and Barbara Parker facilitated this event at their winery and we are in the midst of organising a wine day for 2014.

The committee's first event for the New Year was a joint bowls club event with the Young Accountants. The committee had decided that it would be beneficial for Young Lawyers to meet with other young professions and the Young Accountants have been keen to join forces. The Barefoot Bowls event this year sold out and was a great way for young lawyers to meet other young professionals. Due to the success of the event, the committee has remained in contact with the Young Accountants and is looking to organise more joint events in future.

The annual Young Lawyers Ball was well attended and held at the National Portrait Gallery. Its masquerade theme proved to be popular (as was the photo booth organised for the night) and was the main event for the Young Lawyers' Committee.

The committee also organised its first team for the Australian Running Festival in April of this year. This event was well attended and the proceeds were donated to the Tristan Jepson Memorial Foundation.

The Autumn CPD event was also organised this year and was well attended. It is proving to be successful to organise CPD events that are directly relevant and tailored to young lawyers. It is also allowing the committee to raise funds to organise other events throughout the year, therefore we are planning to continue to organise two CPD events per year.

Law Week was also successful, with Trivia Night selling out again. Discussions were held by the committee in relation to seeking a new venue next year to allow more people to attend. The monies from this night were donated to the ACT Law Society Foundation. The Golden Gavel competition was also successful, with another winner from the Office of the Director of Public Prosecutions this year.

The committee has also launched the Mentor Program and is currently in the midst of pairing applicants with mentors and making enquiries for additional mentors to suit the applicant's requests. In accordance with the program, we will be conducting a review in six months' time.

The committee is currently focused on organising the National Young Lawyers Conference and National Golden Gavel, due to take place in September this year.

The committee is currently approaching and arranging for a wide variety of speakers to attend.

The committee only functions due to the support of its volunteer members and they deserve our appreciation and thanks for their contributions.

— *Mitchell Strachan*

Committee Members

- Mitchell Strachan (Chair)
- Abigail Boettcher
- Lara Deards
- Amanda Di Placido
- Tess Hemming
- Caroline Hickey
- Kahlia Jenkins
- Joshua Kelly
- Katherine Law-Jamieson
- Cindy Lim
- Kavina Mistry
- Georgina Phelps
- Michael Reardon
- Mark Smith

Non-Reporting Committees

The following committees did not submit reports. They are still active committees of the Society and have met during the past financial year.

- Equalising Opportunities in the Law

Treasurer's Report

I am pleased to present the Annual Report on the Society's Accounts for 2013/14.

Overview of accounts

1. General Account

This account covers the income and expenditure relating to the general operations of the Society.

2. Statutory Deposits Trust Account

This account comprises deposits of solicitors' trust moneys lodged with the Society to earn interest which is paid into the Statutory Interest Account.

3. Statutory Interest Account

This account accumulates the interest earned on funds deposited in the Statutory Deposits Trust Account together with interest earned on the balances in solicitors' trust accounts. The Society makes grants from this account to the Legal Aid Commission and other Community legal aid centres. The costs of disciplinary proceedings and general legal costs related to legal practitioners are also funded from this account.

4. Solicitors' Fidelity Fund

The Fidelity Fund exists to meet any claims by clients for compensation in respect of loss arising from a solicitor's failure to account for trust funds or other valuable property. The costs of random inspections, investigations and the appointment of managers are met from this Fund.

General Account

The General Account recorded a surplus of \$137,856 which increased the Society's accumulated funds to \$1,334,532 as at 30 June 2014.

The Society had budgeted for a surplus of approximately \$89,000. The favourable result was predominantly due to higher than budgeted revenue from the income lines of practising certificate fees, practice management course income and sales of residential contracts and tenancy forms.

The Council will continue to closely monitor all expenditure. At this stage it appears that the Society is likely to record a surplus for the 2014/15 financial year.

Statutory Deposits Trust Account

Total deposits at 30 June 2014 amounted to \$19,539,506 which is approximately a 25 per cent increase on deposits held in the previous year.

Interest earned on statutory deposit funds invested in term deposits continues to be an important revenue component for the Statutory Interest Account, however returns remained low in the financial year 2013-14 and continuing low interest rates are expected to affect future earnings.

Statutory Interest Account

The Statutory Interest Account derives its income from interest on solicitors' statutory deposits, interest on the balance in solicitors' trust accounts, and from the investment of the funds held in the Statutory Interest Account itself.

Disciplinary legal costs have decreased slightly which continues the trend from last year after the restructure of the complaints processes. The Society continues to pursue the recovery of costs incurred.

The revenue received of \$1,736,982 was a decrease of approximately 21 per cent on the previous year. The decrease is due to continuing low interest rates which affect all revenue streams, whether from term deposit investments or interest received on balances held in solicitor trust accounts. The previous year's result was already a 24 per cent decrease on the year before that and subsequently this continual decline is causing a strain on the funds available for disbursement of grant funding.

For the 2013-14 financial year Council has agreed that an amount of \$1,200,000 will be allocated for grants to the Legal Aid Commission and other community legal aid organisations. To enable this amount to be disbursed requires a drawing down on retained earnings of approximately \$269,000 for this financial year. While the

amount allocated is a substantial decrease on last year's amount, Council did not take this decision lightly but are concerned about the drain on total equity over the past two years.

Solicitors' Fidelity Fund

The accumulated funds of the Fidelity Fund decreased by \$46,472 to a total of \$5,130,385 as at 30 June 2014.

This year's result included claims on the Fidelity Fund of approximately \$116,500 and lower earnings from investments of the Fidelity Fund in term deposits have contributed to a lower overall result.

An actuarial assessment of the Fidelity Fund was made in December 2013 and it assessed \$5,000,000 as an appropriate level of net assets to cover potential claims on the fund.



Mark Tigwell, Treasurer

actlawsociety

Financial Statements

**The Law Society of the Australian Capital Territory
ABN 60 181 327 029**

Financial Statements 30 June 2014



THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY

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LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY

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

	Notes	2014 \$	2013 \$
Revenue	2	2,146,455	2,002,354
Audit fees		(14,000)	(13,600)
Capitation fees		(187,040)	(176,721)
Committee and executive working lunches		(19,154)	(20,622)
Consultancy fees		(1,620)	(11,038)
Depreciation expense	8	(65,584)	(68,210)
Employee benefits expense		(1,046,599)	(951,652)
Ethos magazine expenses		(23,477)	(18,023)
Functions and seminars		(185,045)	(173,285)
Gifts & Donations		(11,518)	(10,564)
Insurances		(24,781)	(24,583)
Membership services		(900)	(1,388)
Postage and couriers		(22,023)	(26,735)
President's allowance		(99,705)	(92,966)
Printing and stationery		(10,848)	(11,351)
Rent and related expense		(148,485)	(142,362)
Travel and accommodation		(9,380)	(2,567)
Other expenses		<u>(138,440)</u>	<u>(130,517)</u>
Profit for the year		<u>137,856</u>	<u>126,170</u>
Total comprehensive income		<u><u>137,856</u></u>	<u><u>126,170</u></u>

LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014**

	Notes	2014 \$	2013 \$
Current assets			
Cash and cash equivalents	4	1,672,841	1,546,622
Investments	5	726,774	716,741
Trade and other receivables	6	320,389	259,109
Inventory	7	205	1,963
Prepayments		<u>43,438</u>	<u>43,230</u>
Total current assets		<u>2,763,647</u>	<u>2,567,665</u>
Non-current assets			
Office furniture and equipment	8	133,932	182,883
Rental bond		<u>41,629</u>	<u>39,798</u>
Total non-current assets		<u>175,561</u>	<u>222,681</u>
Total assets		<u>2,939,208</u>	<u>2,790,346</u>
Current liabilities			
Trade and other payables	9	1,461,450	1,380,506
Provisions	10	<u>137,490</u>	<u>199,464</u>
Total current liabilities		<u>1,598,940</u>	<u>1,579,970</u>
Non-current liabilities			
Provisions	10	<u>5,736</u>	<u>13,700</u>
Total non-current liabilities		<u>5,736</u>	<u>13,700</u>
Total liabilities		<u>1,604,676</u>	<u>1,593,670</u>
Net assets		<u>1,334,532</u>	<u>1,196,676</u>
Equity			
Accumulated funds		<u>1,334,532</u>	<u>1,196,676</u>
Total equity		<u>1,334,532</u>	<u>1,196,676</u>

LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014**

	2014	2013
	\$	\$
Accumulated Funds		
Balance at the beginning of the financial year	1,196,676	1,070,506
Total comprehensive income for the year	<u>137,856</u>	<u>126,170</u>
Balance at the end of the financial year	<u>1,334,532</u>	<u>1,196,676</u>

LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014**

	Notes	2014 \$	2013 \$
Cash flows from operating activities			
Receipts from members and others		2,190,897	2,146,734
Payments to suppliers and employees		(2,092,512)	(1,891,098)
Interest received		<u>54,500</u>	<u>65,416</u>
Net cash inflow/(outflow) from operating activities		<u>152,885</u>	<u>321,052</u>
Cash flows from investing activities			
Payments for investments		(10,033)	(37,437)
Payments for office furniture and equipment		<u>(16,633)</u>	<u>(107,558)</u>
Net cash inflow/(outflow) from investing activities		<u>(26,666)</u>	<u>(144,995)</u>
Net increase/(decrease) in cash held		126,219	176,057
Cash at the beginning of the financial year		<u>1,546,622</u>	<u>1,370,565</u>
Cash at the end of the financial year	4	<u>1,672,841</u>	<u>1,546,622</u>

THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Law Society of the Australian Capital Territory (the Society) is a statutory body incorporated in the Australian Capital Territory under the Legal Profession Act 2006.

These financial statements cover the Society as an individual not-for-profit entity, domiciled in Australia. Its registered office and principal place of business is 11 London Circuit, Canberra City, ACT, 2601.

Basis of Preparation

Reporting Basis and Conventions

The Society has elected to adopt the Australian Accounting Standards – Reduced Disclosure Requirements (established by AASB 1053 Application of Tiers of Australian Accounting Standards, and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements).

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (Reduced Disclosure Requirements of the Australian Accounting Standards Board), including Australian Accounting Interpretations, and other authoritative pronouncements of the Australian Accounting Standards Board, and the requirements of the Legal Profession Act 2006.

A number of new or revised Australian Accounting Standards are effective for the first time in the current financial year. These standards have had no material impact on the entity.

The financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The following is a summary of the material accounting policies adopted in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

Accounting Policies

(a) Income Tax

The Society is exempt from income tax under section 50-25 of the Income Tax Assessment Act.

(b) Inventory

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a specific identification basis and include direct costs and appropriate overheads, if any. Costs are assigned on the basis of the First In First Out (FIFO) Method.

THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) **Office Furniture and Equipment**

Each class of office furniture and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Where a revaluation has been performed, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

The carrying amount of office furniture and equipment is reviewed at the end of the reporting period 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 assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

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.

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 Society and the cost of the item can be measured reliably. All other costs (eg. repairs and maintenance) are charged to the statement of comprehensive income during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(d) **Depreciation**

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the Society commencing 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 expected useful lives are as follows:

Office furniture and equipment	3-10 years.
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) **Financial Instruments**

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Gains and losses arising from changes in the fair value of these assets are included in the statement of comprehensive income in the period in which they arise.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities, and it is the intention to hold these investments to maturity. Any held-to-maturity investments held are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities

Financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Impairment

At each reporting date, an assessment is made whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

(f) **Investments**

Investments in bank bills and deposits are brought to account at cost and interest income is recognised in the statement of comprehensive income when receivable.

(g) **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) **Trade and Other Receivables**

All trade debtors are recognised at the amounts receivable as they are due for settlement no more than 120 days from the date of recognition. Collectability of trade debtors is reviewed on an ongoing basis.

(i) **Trade and Other Payables**

These amounts represent liabilities for goods and services provided to the Society prior to the end of the financial year and which were unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(j) **Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured.

Revenue from practicing certificates is recognised in the year to which the fees relate.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

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

(k) **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of the GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(l) **Employee Benefits**

Provision is made for the liability for employee benefits arising from services rendered by employees to balance date. The benefits due to be settled within one year to employees for their entitlements have been measured at the amounts expected to be paid including on-costs and are disclosed as current liabilities. Employee benefits payable later than one year are measured at the present value of the estimated future cash outflows to be made in respect of those benefits. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data.

(m) **Provisions**

Provisions are recognised when the Society has a legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will result and that the outflow can be reliably measured.

(n) **Comparative Figures**

Comparative figures have been adjusted, where necessary, to conform to changes in presentation for the current financial year.

THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Critical Accounting Estimates and Judgements

The Councillors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Society.

The Councillors do not believe that there were any key estimates or key judgements used in the development of the financial statements that give rise to a significant risk of material adjustment in the future.

	2014	2013
	\$	\$
NOTE 2 REVENUE		
Revenue from operating activities		
Practising certificate fees	1,061,752	974,164
Members' subscriptions	15,606	15,054
Capitation fees	193,272	176,712
Reimbursement of expenses		
- Statutory Interest Account – administration*	70,712	64,929
- Statutory Interest Account – Legal Advice Bureau*	38,521	36,808
- Statutory Interest Account – professional standards*	121,780	121,355
- Solicitors' Fidelity Fund of the Australian Capital Territory – administration*	38,714	35,407
Profit on standard forms	78,884	52,951
Income from functions	100,628	90,841
Ethos advertising and subscriptions	9,914	22,786
CPD Seminars	138,145	136,019
Project Officer contributions	49,287	47,016
Certificates of good standing	15,191	14,291
Settlements Office contributions	57,371	60,118
Practice management courses	52,709	48,500
	2,042,486	1,896,951
Revenue from outside the operating activities		
Sponsorship	35,047	31,598
Interest	51,704	61,002
Miscellaneous income	17,218	12,803
	103,969	105,403
	2,146,455	2,002,354

* These amounts are received from entities managed and administered by the Society under the Legal Profession Act 2006.

THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY

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

	2014	2013
	\$	\$
NOTE 3 PROFIT FOR THE YEAR		
Included in the profit for the year are the following specific items of expenditure:		
Rental payments on operating lease	(136,193)	(132,294)
Depreciation	(65,584)	(68,210)
Superannuation contributions	(84,698)	(76,632)
Loss on disposal of assets	<u>-</u>	<u>(5,717)</u>
NOTE 4 CASH AND CASH EQUIVALENTS		
Cash on hand	300	300
Cash at bank – Law Society General Acc	1,629,217	1,544,385
Cash at bank – Compensation Rights Acc	40,753	-
Undeposited funds	<u>2,571</u>	<u>1,937</u>
	<u>1,672,841</u>	<u>1,546,622</u>
NOTE 5 INVESTMENTS		
<i>Held-to-Maturity Investments</i>		
National Australia Bank	455,000	-
St George Bank term deposits	<u>271,774</u>	<u>716,741</u>
	<u>726,774</u>	<u>716,741</u>
These deposits have maturities of 6 months from the date of their deposit.		
NOTE 6 TRADE AND OTHER RECEIVABLES		
Trade debtors	187,079	192,582
Deposits paid	6,400	750
Accrued interest receivable	9,862	12,658
Other accrued income	107,724	47,596
GST refund receivable	<u>9,324</u>	<u>5,523</u>
	<u>320,389</u>	<u>259,109</u>
NOTE 7 INVENTORY		
Contracts for sale	153	1,943
Tenancy agreements	<u>52</u>	<u>20</u>
	<u>205</u>	<u>1,963</u>

THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY

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

	2014 \$	2013 \$
NOTE 8 OFFICE FURNITURE AND EQUIPMENT		
Office furniture and equipment		
At cost	615,055	633,111
Less: accumulated depreciation	<u>(481,123)</u>	<u>(450,228)</u>
Total office furniture and equipment	<u>133,932</u>	<u>182,883</u>
Reconciliation		
A reconciliation of the carrying amount at the beginning and end of the current financial year is set out below.		
	Office furniture and equipment	
Carrying amount at the beginning of the year	182,883	149,252
Additions	16,633	107,558
Disposals	-	(5,717)
Depreciation expense	<u>(65,584)</u>	<u>(68,210)</u>
Carrying amount at the end of the year	<u>133,932</u>	<u>182,883</u>
NOTE 9 TRADE AND OTHER PAYABLES		
Other liabilities		
Subscriptions and other income in advance	1,270,535	1,208,838
Accruals	42,748	43,414
Payable – Solicitors’ Fidelity Fund of the Australian Capital Territory	43,540	38,870
Fair Comp Compensation Rights	<u>50,362</u>	<u>11,119</u>
Total other liabilities	1,407,185	1,302,241
Trade creditors	<u>54,265</u>	<u>78,265</u>
	<u>1,461,450</u>	<u>1,380,506</u>
NOTE 10 PROVISIONS		
<i>Current</i>		
Provision for annual leave	64,124	105,795
Provision for long service leave	<u>73,366</u>	<u>93,669</u>
	<u>137,490</u>	<u>199,464</u>
<i>Non-Current</i>		
Provision for long service leave	<u>5,736</u>	<u>13,700</u>

The amount of current long service leave expected to be settled within 12 months of the end of the financial year is nil (2013: \$41,577).

THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY

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

NOTE 11 FINANCIAL RISK MANAGEMENT

The accounting policies and terms and conditions of each class of financial asset and financial liability at the end of the reporting period are consistent with those regularly adopted by businesses in Australia.

The Society's financial instruments consist mainly of deposits with banks, accounts receivable and payables.

The entity is not subject to any significant liquidity, credit or interest rate risk.

The totals for each category of financial instrument, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2014 \$	2013 \$
Financial Assets			
Cash and cash equivalents	4	1,672,841	1,546,622
Held-to-maturity investments	5	726,774	716,741
Loans and receivables	6	<u>311,065</u>	<u>253,586</u>
Total Financial Assets		<u><u>2,710,680</u></u>	<u><u>2,516,949</u></u>
Financial Liabilities			
Trade and other payables	9	<u>1,461,450</u>	<u>1,380,506</u>
Total Financial Liabilities		<u><u>1,461,450</u></u>	<u><u>1,380,506</u></u>

Net Fair Values

Financial assets and liabilities are carried at their net fair value at the end of the reporting period. The carrying values of financial assets and financial liabilities approximate their net fair values due to their short terms of maturity or market interest rates. No financial assets or financial liabilities are traded on organised markets in standard form.

NOTE 12 REMUNERATION OF AUDITORS

Audit of the Society's financial statements	9,900	9,450
Audit of Statutory Deposits Trust Account	1,625	1,550
Audit of Statutory Interest Account	2,750	2,600
Audit of Solicitors' Fidelity Fund	2,750	2,600
Accounting assistance and advice	<u>250</u>	<u>-</u>
	<u><u>17,275</u></u>	<u><u>16,200</u></u>

No other benefits were received by the auditors.

THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY

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

	2014	2013
	\$	\$
NOTE 13 LEASING COMMITMENTS		
<i>Lease commitments</i>		
Commitments in relation to non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities, payable:		
Within one year	88,484	130,529
Later than one year but not later than 5 years	<u>-</u>	<u>88,000</u>
	<u>88,484</u>	<u>218,529</u>

The total amount of rental expense recognised in the reporting period was \$136,193 (2013: \$132,294). The Society's current lease expires 28 February 2015 and no future leasing agreement has yet been signed.

NOTE 14 LEGISLATION

The Society is constituted under the Legal Profession Act 2006. Pursuant to that Act the Society is responsible for operating and maintaining the following fund and accounts:

- The Solicitors' Fidelity Fund of the Australian Capital Territory;
- The Statutory Deposits Trust Account; and
- The Statutory Interest Account.

THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY

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

NOTE 15 COMPENSATION RIGHTS ACCOUNT

Funds previously identified as Fair Comp Campaign funds and held in the Society's general cheque account were transferred into a newly opened cheque account in December 2013. These funds are held by the Society on behalf of the contributing legal practices and disbursed under the direction of the CTP Committee. The Society does not separately record revenues or expenses in its statement of comprehensive income in relation to these funds. Funds received are held as a liability to meet future expenses.

Assets and liabilities relating to the Fair Comp Campaign are as follows:

	Note	2014 \$	2013 \$
Financial Assets			
Cash and cash equivalents	4		
Law Society General Account*		9,609	11,119
Compensation Rights Account		<u>40,753</u>	<u>-</u>
Total Financial Assets		<u>50,362</u>	<u>11,119</u>
Financial Liabilities			
Trade and other payables	9	<u>50,362</u>	<u>11,119</u>
Total Financial Liabilities		<u>50,362</u>	<u>11,119</u>

*Funds held in the General Account as at year end to be transferred to the Compensation Rights Account.

Receipts and payments relating to the Fair Comp Campaign during the year were as follows:

Receipts	70,059	48,392
Payments	<u>(30,816)</u>	<u>(37,273)</u>
Net receipts/(payments)	<u>39,243</u>	<u>11,119</u>

Reconciliation

A reconciliation of the unexpended funds held at the beginning and end of the current financial year is set out below.

Unexpended Funds

Carrying amount at the beginning of the year	11,119	-
Net receipts/(payments) during the year	<u>39,243</u>	<u>11,119</u>
Carrying amount at the end of the year	<u>50,362</u>	<u>11,119</u>

THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY

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

NOTE 16 RELATED PARTIES

The names of persons who were members of the Council of the Law Society of the Australian Capital Territory for any part of the year are as follow:

Mr M Hockridge	President from 26 September 2013 Vice President to 26 September 2013
Ms N Blumer	President to 26 September 2013 Immediate Past President from 26 September 2013
Mr A Opas	Immediate Past President to 26 September 2013
Ms K Barralet	General Council member to 26 September 2013 Vice President from 26 September 2013
Mr G Brackenreg	Vice President
Ms L E Vardanega PSM	Secretary
Mr M Tigwell	Treasurer
Mr M O'Brien	
Mr C Donohue	
Mr A Bucknell	
Ms A Osmand	
Mr J Carroll	Up to 26 September 2013
Mr P Vane-Tempest	Up to 26 September 2013
Ms T Kyprianou	Up to 26 September 2013
Ms C Coles	From 26 September 2013
Ms A Hogan	From 26 September 2013
Mr G Marques	From 26 September 2013
Ms J Newman	From 26 September 2013
Mr R Salpeter	From 26 September 2013
Mr D Spendelove	From 26 September 2013

Councillors and their related entities transact with the Society from time to time on normal terms and conditions that are no more favourable than those available to others. The types of transactions include practicing certificate fees, capitation fees, subscriptions, functions, seminars, courses and the sale of standard forms.

During the year the Society paid professional fees to Councillors or their Councillor-related entities within a normal client-solicitor relationship on terms and conditions no more favourable than those which it is reasonable to expect would have been adopted if dealing with the Councillors or their Councillor-related entities at arm's length in the same circumstances.

The president receives an allowance for the services provided to the Society. This allowance is included in key management personnel compensation below. No other member of council receives any remuneration from the Law Society of the Australian Capital Territory or a related entity.

During the year the Society paid \$2,631 (2013: \$2,562) in premiums for Councillors and Officers liability insurance.

THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY

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

NOTE 17 KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Society, directly or indirectly, including any Councillor (whether executive or otherwise) of the Society. The increase in 2014 relates predominantly to the outgoing Chief Executive Officer and payment of unused leave entitlements.

	2014	2013
	\$	\$
Total key management personnel compensation	<u>384,321</u>	<u>250,754</u>

NOTE 18 EVENTS AFTER THE BALANCE DATE

These financial statements were authorised for issue by the Councillors on the date of signing the attached Councillors' Declaration. The Councillors have the power to amend the financial statements after they are issued.

There are no other events after the balance date which require amendment of, or further disclosure in, the financial statements.

NOTE 19 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent liabilities or contingent assets at the end of the financial year.

THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY

COUNCILLORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2014

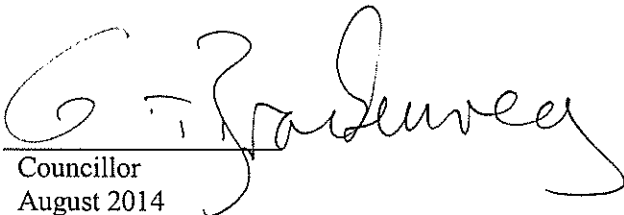
The Councillors declare that the financial statements and notes set out on pages 1 to 16:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and other mandatory professional reporting requirements; and
- (b) present fairly the Society's financial position as at 30 June 2014 and its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date.

In the Councillors' opinion:

- (a) the financial statements and notes are in accordance with the requirements of the Legal Profession Act 2006; and
- (b) there are reasonable grounds to believe that the Society 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 Councillors.


Councillor
18 August 2014


Councillor
18 August 2014

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY

We have audited the accompanying financial statements of the Law Society of the Australian Capital Territory (the Society) which comprise the statement of financial position as at 30 June 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes.

The Responsibility of the Council for the Financial Statements

The Council is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, and for such internal control as the Council determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We 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 about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, 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 statements 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 Council, as well as evaluating the overall presentation of the financial statements.

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

Duesburys Nexia

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Independent member of Nexia International



Auditor's Opinion

In our opinion the financial statements present fairly, in all material respects, the financial position of the Law Society of the Australian Capital Territory as at 30 June 2014 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards – Reduced Disclosure Requirements.



Duesburys Nexia
Canberra, 18 August 2014



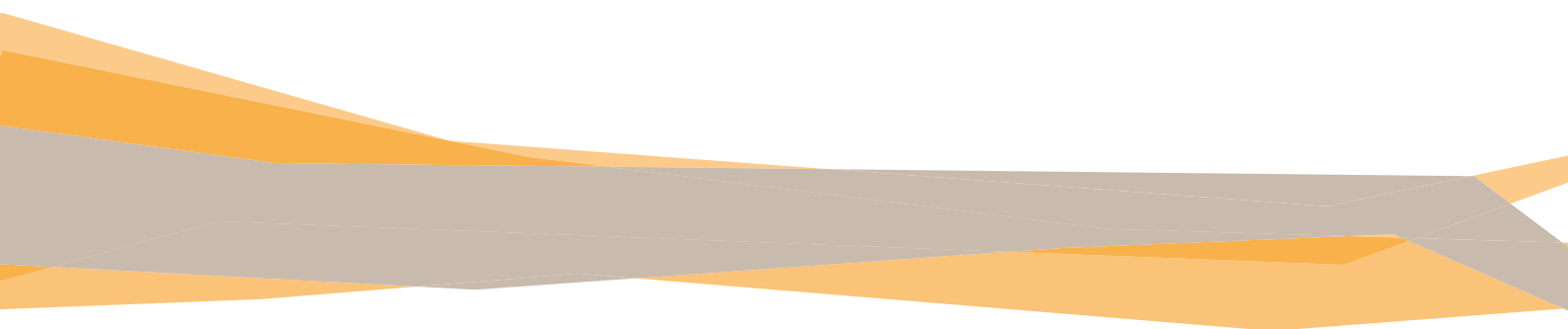
G J Murphy
Partner

actlawsociety

Financial Statements

**The Law Society of the Australian Capital Territory
Statutory Interest Account**

Financial Statements 30 June 2014



**THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY
STATUTORY INTEREST ACCOUNT**

FINANCIAL STATEMENTS – 30 JUNE 2014

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**THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY
STATUTORY INTEREST ACCOUNT**

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

	Notes	2014 \$	2013 \$
Revenue	2	1,736,982	2,212,927
Expenses			
Law Society of the Australian Capital Territory - reimbursement of administration expenses		(70,712)	(64,929)
Disciplinary legal costs and other legal costs		(572,934)	(592,244)
Legal Advice Bureau operating costs	8	(39,602)	(37,496)
Professional Standards Office costs		<u>(122,826)</u>	<u>(122,379)</u>
Surplus before disbursements		930,908	1,395,879
Proposed disbursements s253		<u>(1,200,000)</u>	<u>(1,700,000)</u>
Surplus/(deficit) for the year		<u>(269,092)</u>	<u>(304,121)</u>
Total comprehensive income		<u><u>(269,092)</u></u>	<u><u>(304,121)</u></u>

**THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY
STATUTORY INTEREST ACCOUNT**

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014**

	Notes	2014 \$	2013 \$
Current assets			
Cash and cash equivalents	3	794,102	1,517,430
Investments	4	1,890,714	1,951,587
Trade and other receivables	5	<u>277,555</u>	<u>260,793</u>
Total current assets		<u>2,962,371</u>	<u>3,729,810</u>
Total non-current assets		<u>-</u>	<u>-</u>
Total assets		<u>2,962,371</u>	<u>3,729,810</u>
Current liabilities			
Trade and other payables	6	86,137	84,484
Provisions	7	<u>1,200,000</u>	<u>1,700,000</u>
Total current liabilities		<u>1,286,137</u>	<u>1,784,484</u>
Total liabilities		<u>1,286,137</u>	<u>1,784,484</u>
Net assets		<u>1,676,234</u>	<u>1,945,326</u>
Equity			
Accumulated funds		<u>1,676,234</u>	<u>1,945,326</u>
Total equity		<u>1,676,234</u>	<u>1,945,326</u>

**THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY
STATUTORY INTEREST ACCOUNT**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014**

	2014	2013
	\$	\$
Accumulated funds		
Balance at the beginning of the financial year	1,945,326	2,249,447
Surplus/(deficit) for the year	<u>(269,092)</u>	<u>(304,121)</u>
Balance at the end of the financial year	<u>1,676,234</u>	<u>1,945,326</u>

**THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY
STATUTORY INTEREST ACCOUNT**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014**

	Notes	2014 \$	2013 \$
Cash flows from operating activities			
Recovered disciplinary legal costs and fines imposed		13,500	68,682
Miscellaneous receipts & GST refunds		233,306	219,829
Disbursements and other operating payments		(1,029,318)	(967,768)
Interest		<u>1,698,311</u>	<u>2,282,820</u>
Net cash inflow/(outflow) from operating activities		<u>915,799</u>	<u>1,603,563</u>
Cash flows from investing activities			
Proceeds from investments		<u>60,873</u>	<u>(31,560)</u>
Net cash inflow/(outflow) from investing activities		<u>60,873</u>	<u>(31,560)</u>
Cash flows from financing activities			
Section 253 disbursements	10	<u>(1,700,000)</u>	<u>(1,700,000)</u>
Net cash inflow/(outflow) from financing activities		<u>(1,700,000)</u>	<u>(1,700,000)</u>
Net increase (decrease) in cash held		(723,328)	(127,997)
Cash at the beginning of the financial year		<u>1,517,430</u>	<u>1,645,427</u>
Cash at the end of the financial year	3	<u>794,102</u>	<u>1,517,430</u>

**THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY
STATUTORY INTEREST ACCOUNT**

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements cover The Law Society of the Australian Capital Territory Statutory Interest Account (the Account) as an individual not-for-profit entity, domiciled in Australia. Its registered office and principal place of business is 11 London Circuit, Canberra City, ACT, 2601.

Basis of Preparation

Reporting Basis and Conventions

The Account has elected to adopt the Australian Accounting Standards – Reduced Disclosure Requirements (established by AASB 1053 Application of Tiers of Australian Accounting Standards, and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements).

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (Reduced Disclosure Requirements of the Australian Accounting Standards Board), including Australian Accounting Interpretations, and other authoritative pronouncements of the Australian Accounting Standards Board, and the requirements of the Legal Profession Act 2006.

A number of new or revised Australian Accounting Standards are effective for the first time in the current financial year. These standards have had no material impact on the entity.

The financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The following is a summary of the material accounting policies adopted in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

Accounting Policies

(a) Income Tax

The Account is exempt from income tax under relevant provisions of the Income Tax Assessment Act.

(b) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less.

(c) Investments

Investments in term deposits are brought to account at cost and interest income is recognised in the statement of comprehensive income when receivable.

(d) Revenue Recognition

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

**THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY
STATUTORY INTEREST ACCOUNT**

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(e) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(f) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139 Financial Instruments: Recognition and Measurement. Gains and losses arising from changes in the fair value of these assets are included in the statement of comprehensive income in the period in which they arise.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities, and it is the intention to hold these investments to maturity. Any held-to-maturity investments held are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities

Financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Impairment

At each reporting date, an assessment is made of whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

**THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY
STATUTORY INTEREST ACCOUNT**

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(g) Comparatives

Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Critical Accounting Estimates and Judgements

The Councillors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Account.

The Councillors do not believe that there were any key estimates or key judgements used in the development of the financial statements that give rise to a significant risk of material adjustment in the future.

	2014	2013
	\$	\$
NOTE 2 REVENUE		
Revenue from operating activities		
Interest on investments by the Statutory Interest Account	96,703	134,975
Interest on investments by the Statutory Deposits Account	519,211	636,762
Interest on Solicitors' Trust Accounts	<u>1,107,568</u>	<u>1,372,508</u>
	1,723,482	2,144,245
Revenue from outside the operating activities		
Miscellaneous income	<u>13,500</u>	<u>68,682</u>
	<u>1,736,982</u>	<u>2,212,927</u>
 NOTE 3 CASH AND CASH EQUIVALENTS		
Cash at bank	<u>794,102</u>	<u>1,517,430</u>

**THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY
STATUTORY INTEREST ACCOUNT**

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

	2014	2013
	\$	\$
NOTE 4 INVESTMENTS		
<i>Held-to-Maturity Investments</i>		
Commonwealth Bank	600,000	-
National Australia Bank	1,040,714	1,019,386
St George Bank Australia	-	682,201
Westpac	<u>250,000</u>	<u>250,000</u>
	<u>1,890,714</u>	<u>1,951,587</u>
These deposits have maturities of 5 to 6 months from the date of their deposit.		
NOTE 5 TRADE AND OTHER RECEIVABLES		
Accrued interest		
-Investments	139,085	128,191
-Solicitors' Trust Accounts	<u>118,791</u>	<u>104,514</u>
	257,876	232,705
Debtors	-	6,182
Prepayments	758	1,599
GST paid to suppliers	<u>18,921</u>	<u>20,307</u>
	<u>277,555</u>	<u>260,793</u>
NOTE 6 TRADE AND OTHER PAYABLES		
Sundry creditors and accruals	<u>86,137</u>	<u>84,484</u>
NOTE 7 PROVISIONS – CURRENT		
Proposed disbursements	<u>1,200,000</u>	<u>1,700,000</u>

**THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY
STATUTORY INTEREST ACCOUNT**

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

	2014	2013
	\$	\$
NOTE 8 LEGAL ADVICE BUREAU OPERATING COSTS		
Cleaning	811	664
Depreciation	1,359	1,359
Electricity	463	445
Insurance	373	376
Publications and subscriptions	1,081	688
Rental of premises	8,989	8,731
Salaries and superannuation	<u>26,526</u>	<u>25,233</u>
	<u>39,602</u>	<u>37,496</u>

NOTE 9 PROPOSED DISBURSEMENTS

The Account will invite submissions for disbursements from the Statutory Interest Account under s253(4) of the Legal Profession Act 2006:

Proposed disbursements	<u>1,200,000</u>	<u>1,700,000</u>
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NOTE 10 DISBURSEMENTS

Disbursements made from the Statutory Interest Account under s253(4) of the Legal Profession Act 2006 were:

Environmental Defender's Office	31,278	31,278
Legal Aid Commission (ACT)	1,411,543	1,411,543
Welfare Rights and Legal Centre	166,771	166,771
Women's Legal Centre	<u>90,408</u>	<u>90,408</u>
	<u>1,700,000</u>	<u>1,700,000</u>

**THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY
STATUTORY INTEREST ACCOUNT**

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

NOTE 11 FINANCIAL RISK MANAGEMENT

The accounting policies and terms and conditions of each class of financial asset and financial liability at the end of the reporting period are consistent with those regularly adopted by businesses in Australia.

The Account's financial instruments consist mainly of deposits with banks, accounts receivable and payables.

The entity is not subject to any significant liquidity or credit risk. Interest rate risk is managed by the Account reviewing the interest rate profile, current interest rates and the market outlook, and taking action as necessary to ensure that risk levels are maintained at a satisfactory level for its own cash and investments. A 1% movement in interest rates across the Account's cash and investments, and the cash and investments of the Statutory Deposits Accounts and Solicitors' trust accounts would have a significant impact on profit and equity, however it is not practical to quantify the impact given the variables involved. Movements in the amounts held by Solicitors in their trust accounts can also have a significant impact on interest received by the Account. A number of the variables associated with interest risk are not able to be influenced by the Account.

The totals for each category of financial instrument, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

		2014	2013
		\$	\$
	Note		
Financial Assets			
Cash and cash equivalents	3	794,102	1,517,430
Held-to-maturity investments	4	1,890,714	1,951,587
Loans and receivables	5	<u>277,555</u>	<u>260,793</u>
Total Financial Assets		<u><u>2,962,371</u></u>	<u><u>3,729,810</u></u>
Financial Liabilities			
Trade and other payables	6	<u>86,137</u>	<u>84,484</u>
Total Financial Liabilities		<u><u>86,137</u></u>	<u><u>84,484</u></u>

Net Fair Values

Financial assets and liabilities are carried at their net fair value at the end of the reporting period. The carrying values of financial assets and financial liabilities approximate their net fair values due to their short terms of maturity or market interest rates. No financial assets or financial liabilities are traded on organised markets in standard form.

**THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY
STATUTORY INTEREST ACCOUNT**

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

NOTE 12 CONTINGENT ASSETS

The Account is seeking to recover certain disciplinary costs. At the present time the amount of the recovery is uncertain.

NOTE 13 CONTINGENT LIABILITIES

There are no contingent liabilities at the end of the financial year.

NOTE 14 LEGISLATION

The Statutory Interest Account is maintained by the Law Society of the Australian Capital Territory, a related party, in accordance with s253 of the Legal Profession Act 2006. Under the Act, interest on Solicitors' Trust Accounts and investments by the Statutory Deposits Trust Account are deposited into the Statutory Interest Account.

NOTE 15 REMUNERATION OF AUDITORS

Audit fees of \$2,750 (2013: \$2,600) were ultimately paid by the Statutory Interest Account.

NOTE 16 EVENTS AFTER THE BALANCE DATE

These financial statements were authorised for issue by the Councillors on the date of signing the attached Councillors' Declaration. The Councillors have the power to amend the financial statements after they are issued.

There are no other events after the balance date which require amendment of, or further disclosure in, the financial statements.

**THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY
STATUTORY INTEREST ACCOUNT**

**COUNCILLORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2014**

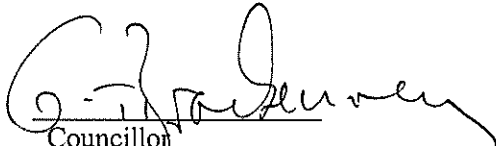
The Councillors declare that the financial statements and notes set out on pages 1 to 11:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and other mandatory professional reporting requirements; and
- (b) present fairly the Account's financial position as at 30 June 2014 and its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date.

In the Councillors' opinion:

- (a) the financial statements and notes are in accordance with the requirements of the Legal Profession Act 2006; and
- (b) there are reasonable grounds to believe that the Account 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 Councillors.


Councillor
18 August 2014


Councillor
18 August 2014

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY STATUTORY INTEREST ACCOUNT

We have audited the accompanying financial statements of the Law Society of the Australian Capital Territory Statutory Interest Account which comprise the statement of financial position as at 30 June 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes.

The Responsibility of the Council for the Financial Statements

The Council is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, and for such internal control as the Council determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We 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 about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, 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 statements 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 Council, as well as evaluating the overall presentation of the financial statements.

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

Duesburys Nexia

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Independent member of Nexia International



Auditor's Opinion

In our opinion the financial statements present fairly, in all material respects, the financial position of the Law Society of the Australian Capital Territory Statutory Interest Account as at 30 June 2014 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards – Reduced Disclosure Requirements.



Duesburys Nexia
Canberra, 18 August 2014



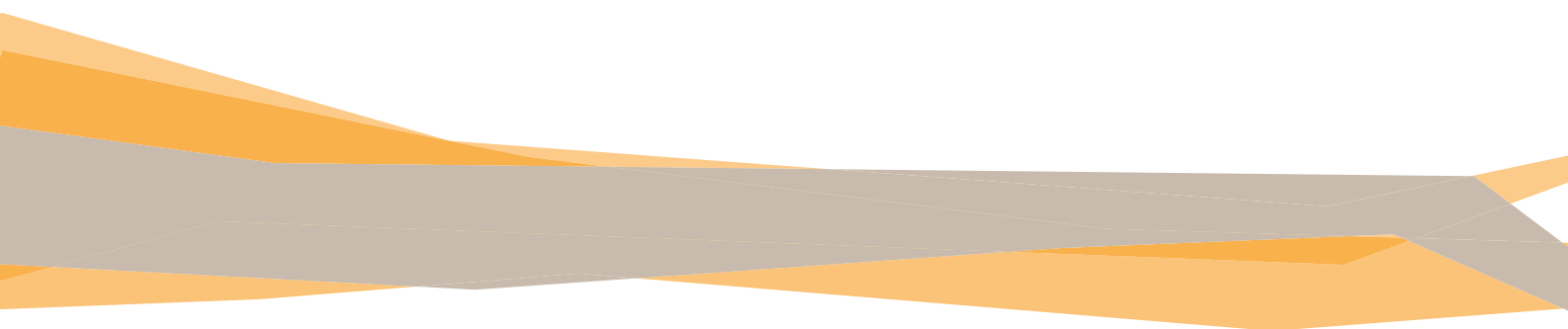
G J Murphy
Partner

actlawsociety

Financial Statements

**The Law Society of the Australian Capital Territory
Statutory Deposits Trust Account**

Financial Statements 30 June 2014



**THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY
STATUTORY DEPOSITS TRUST ACCOUNT**

FINANCIAL STATEMENTS – 30 JUNE 2014

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**THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY
STATUTORY DEPOSITS TRUST ACCOUNT**

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

	Notes	2014 \$	2013 \$
Revenue		<u>-</u>	<u>-</u>
Net surplus/ (deficit)		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>-</u>	<u>-</u>

**THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY
STATUTORY DEPOSITS TRUST ACCOUNT**

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014**

	Notes	2014 \$	2013 \$
Current assets			
Cash and cash equivalents	2	7,706,006	3,923,242
Investments	3	<u>11,833,500</u>	<u>11,608,227</u>
Total current assets		<u>19,539,506</u>	<u>15,531,469</u>
Total assets		<u>19,539,506</u>	<u>15,531,469</u>
Current liabilities			
Trade and other payables	4	<u>19,539,506</u>	<u>15,531,469</u>
Total current liabilities		<u>19,539,506</u>	<u>15,531,469</u>
Total liabilities		<u>19,539,506</u>	<u>15,531,469</u>
Net assets		<u> -</u>	<u> -</u>
Equity			
Accumulated Funds		<u> -</u>	<u> -</u>
Total equity		<u> -</u>	<u> -</u>

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014**

	Notes	2014 \$	2013 \$
Balance at the beginning of the year		-	-
Changes during the year		<u> -</u>	<u> -</u>
Balance at the end of the year		<u> -</u>	<u> -</u>

**THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY
STATUTORY DEPOSITS TRUST ACCOUNT**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014**

	Notes	2014 \$	2013 \$
Cash flows from investing activities			
Interest received and transferred to Statutory Interest Account		(79,401)	(70,169)
Proceeds from investments		6,674,128	4,801,302
Payments for investments		<u>(6,820,000)</u>	<u>(3,700,000)</u>
Net cash inflow (outflow) from investing activities		<u>(225,273)</u>	<u>1,031,133</u>
Cash flows from financing activities			
Proceeds from deposits		7,260,223	4,530,992
Repayments of deposits		<u>(3,252,186)</u>	<u>(4,603,755)</u>
Net cash inflow (outflow) from financing activities		<u>4,008,037</u>	<u>(72,763)</u>
Net increase (decrease) in cash held		3,782,764	958,370
Cash at the beginning of the financial year		<u>3,923,242</u>	<u>2,964,872</u>
Cash at the end of the financial year	2	<u>7,706,006</u>	<u>3,923,242</u>

**THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY
STATUTORY DEPOSITS TRUST ACCOUNT**

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements cover The Law Society of the Australian Capital Territory Statutory Deposits Trust Account (the Trust Account) as an individual not-for-profit entity, domiciled in Australia. Its registered office and principal place of business is 11 London Circuit, Canberra City, ACT, 2601.

Basis of Preparation

Reporting Basis and Conventions

The Trust Account has elected to adopt the Australian Accounting Standards – Reduced Disclosure Requirements (established by AASB 1053 Application of Tiers of Australian Accounting Standards, and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements).

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (Reduced Disclosure Requirements of the Australian Accounting Standards Board), including Australian Accounting Interpretations, and other authoritative pronouncements of the Australian Accounting Standards Board, and the requirements of the Legal Profession Act 2006.

A number of new or revised Australian Accounting Standards are effective for the first time in the current financial year. These standards have had no material impact on the entity.

The financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The following is a summary of the material accounting policies adopted in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

Accounting Policies

(a) Income Tax

The Trust Account is exempt from income tax under relevant provisions of the Income Tax Assessment Act.

(b) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less.

(c) Investments

Investments in term deposits are brought to account at cost. Interest income is transferred to the Statutory Interest Account in accordance with the Legal Profession Act 2006.

**THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY
STATUTORY DEPOSITS TRUST ACCOUNT**

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Monies Deposited by Solicitors

Monies deposited by solicitors are recognised upon receipt. Amounts are repayable in accordance with the Legal Profession Act 2006.

(e) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139 Financial Instruments: Recognition and Measurement. Gains and losses arising from changes in the fair value of these assets are included in the statement of comprehensive income in the period in which they arise.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities, and it is the intention to hold these investments to maturity. Any held-to-maturity investments held are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial Liabilities

Financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Impairment

At each reporting date, an assessment is made of whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

**THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY
STATUTORY DEPOSITS TRUST ACCOUNT**

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Comparatives

Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Critical Accounting Estimates and Judgements

The Councillors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Trust Account.

The Councillors do not believe that there were any key estimates or key judgements used in the development of the financial statements that give rise to a significant risk of material adjustment in the future.

	2014	2013
	\$	\$
NOTE 2 CASH AND CASH EQUIVALENTS		
Cash at bank	<u>7,706,006</u>	<u>3,923,242</u>
NOTE 3 INVESTMENTS		
<i>Held-to-Maturity Investments</i>		
Commonwealth Bank	1,600,000	5,000,000
National Australia Bank	6,012,921	3,968,765
St George Bank	2,200,000	1,639,462
Westpac	<u>2,020,579</u>	<u>1,000,000</u>
	<u>11,833,500</u>	<u>11,608,227</u>

These deposits have maturities of 4 to 7 months from the date of their deposit.

NOTE 4 TRADE AND OTHER PAYABLES

Monies deposited by solicitors	<u>19,539,506</u>	<u>15,531,469</u>
	<u>19,539,506</u>	<u>15,531,469</u>

**THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY
STATUTORY DEPOSITS TRUST ACCOUNT**

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

NOTE 5 LEGISLATION

The Statutory Deposits Trust Account is maintained by the Law Society of the Australian Capital Territory, a related entity, in accordance with section 253 of the Legal Profession Act 2006. Interest income earned on interest bearing deposits held by the Statutory Deposits Trust Account is credited as income of the Statutory Interest Account. The Trust Account has no employees.

NOTE 6 REMUNERATION OF AUDITORS

Audit fees of \$1,625 (2013:\$1,550) were ultimately paid by the Statutory Interest Account on behalf of the Statutory Deposits Trust Account.

NOTE 7 FINANCIAL RISK MANAGEMENT

The accounting policies and terms and conditions of each class of financial asset and financial liability at the end of the reporting period are consistent with those regularly adopted by businesses in Australia.

The Society's financial instruments consist mainly of deposits with banks, accounts receivable and payables.

The entity is not subject to any significant liquidity, credit or interest rate risk.

The totals for each category of financial instrument, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2014 \$	2013 \$
Financial Assets			
Cash and cash equivalents	2	7,706,006	3,923,242
Held-to-maturity investments	3	<u>11,833,500</u>	<u>11,608,227</u>
Total Financial Assets		<u><u>19,539,506</u></u>	<u><u>15,531,469</u></u>
Financial Liabilities			
Trade and other payables	4	<u>19,539,506</u>	<u>15,531,469</u>
Total Financial Liabilities		<u><u>19,539,506</u></u>	<u><u>15,531,469</u></u>

Net Fair Values

Financial assets and liabilities are carried at their net fair value at the end of the reporting period. The carrying values of financial assets and financial liabilities approximate their net fair values due to their short terms of maturity or market interest rates. No financial assets or financial liabilities are traded on organised markets in standard form.

**THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY
STATUTORY DEPOSITS TRUST ACCOUNT**

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

NOTE 8 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent liabilities or contingent assets at the end of the financial year.

NOTE 9 EVENTS AFTER THE BALANCE DATE

These financial statements were authorised for issue by the Councillors on the date of signing the attached Councillors' Declaration. The Councillors have the power to amend the financial statements after they are issued.

There are no other events after the balance date which require amendment of, or further disclosure in, the financial statements.

**THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY
STATUTORY DEPOSITS TRUST ACCOUNT**

**COUNCILLORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2014**


The Councillors declare that the financial statements and notes set out on pages 1 to 8:

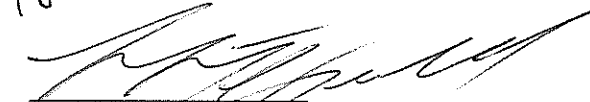
- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and other mandatory professional reporting requirements; and
- (b) present fairly the Trust Account's financial position as at 30 June 2014 and its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date.

In the Councillors' opinion:

- (a) the financial statements and notes are in accordance with the requirements of the Legal Profession Act 2006; and
- (b) there are reasonable grounds to believe that the Trust Account 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 Councillors.


Councillor
18 August 2014


Councillor
18 August 2014

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY STATUTORY DEPOSITS TRUST ACCOUNT

We have audited the accompanying financial statements of the Law Society of the Australian Capital Territory Statutory Deposits Trust Account which comprises the statement of financial position as at 30 June 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes.

The Responsibility of the Council for the Financial Statements

The Council is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, and for such internal control as the Council determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We 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 about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, 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 statements 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 Council, as well as evaluating the overall presentation of the financial statements.

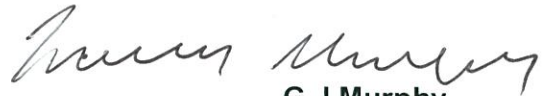
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's Opinion

In our opinion the financial statements present fairly, in all material respects, the financial position of the Law Society of the Australian Capital Territory Statutory Deposits Trust Account as at 30 June 2014 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards – Reduced Disclosure Requirements.



Duesburys Nexia
Canberra, 18 August 2014



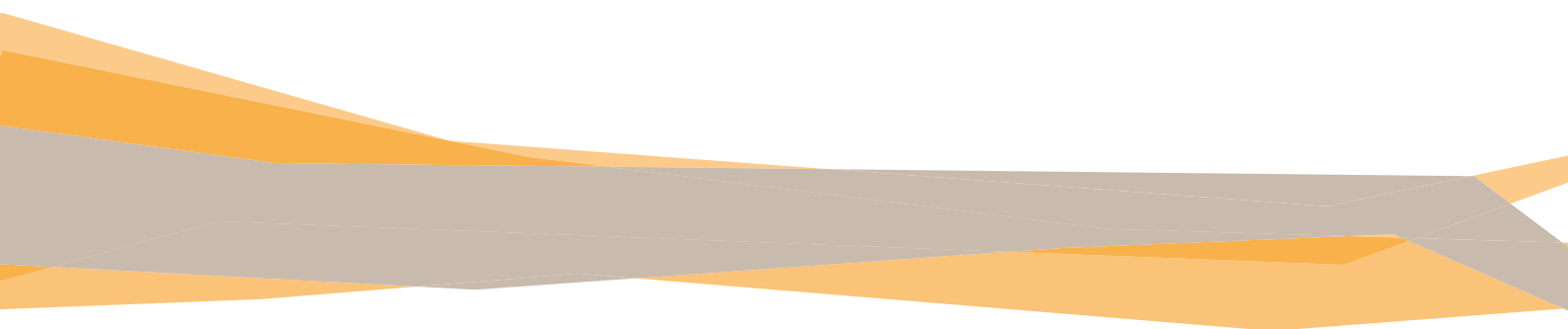
G J Murphy
Partner

actlawsociety

Financial Statements

**The Solicitors' Fidelity Fund of the
Australian Capital Territory**

Financial Statements 30 June 2014



THE SOLICITORS' FIDELITY FUND OF THE AUSTRALIAN CAPITAL TERRITORY

FINANCIAL STATEMENTS – 30 JUNE 2014

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THE SOLICITORS' FIDELITY FUND OF THE AUSTRALIAN CAPITAL TERRITORY

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

	Notes	2014 \$	2013 \$
Revenue	2	238,915	277,638
Audit fees		(2,750)	(2,600)
Administration expenses		(38,714)	(35,407)
Claim on fidelity fund		(116,528)	(33,962)
Consultancy/Professional advice		(19,377)	-
Investigations, examinations, legal and managers' costs		(33,923)	(14,525)
Random inspections expenses		<u>(74,095)</u>	<u>(88,360)</u>
Surplus/(deficit) for the year		<u>(46,472)</u>	<u>102,784</u>
Total comprehensive income for the year		<u><u>(46,472)</u></u>	<u><u>102,784</u></u>

THE SOLICITORS' FIDELITY FUND OF THE AUSTRALIAN CAPITAL TERRITORY

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014**

	Notes	2014 \$	2013 \$
Current assets			
Cash and cash equivalents	3	289,066	152,461
Trade and other receivables	4	<u>105,764</u>	<u>101,994</u>
Total current assets		<u>394,830</u>	<u>254,455</u>
Non-current assets			
Investments	5	<u>4,913,971</u>	<u>4,964,571</u>
Total non-current assets		<u>4,913,971</u>	<u>4,964,571</u>
Total assets		<u>5,308,801</u>	<u>5,219,026</u>
Current liabilities			
Trade and other payables	6	<u>178,416</u>	<u>42,169</u>
Total current liabilities		<u>178,416</u>	<u>42,169</u>
Total liabilities		<u>178,416</u>	<u>42,169</u>
Net assets		<u>5,130,385</u>	<u>5,176,857</u>
Equity			
Accumulated funds		<u>5,130,385</u>	<u>5,176,857</u>
Total equity		<u>5,130,385</u>	<u>5,176,857</u>

THE SOLICITORS' FIDELITY FUND OF THE AUSTRALIAN CAPITAL TERRITORY

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014**

	2014	2013
	\$	\$
Accumulated Funds		
Balance at the beginning of the financial year	5,176,857	5,074,073
Total comprehensive income for the year	<u>(46,472)</u>	<u>102,784</u>
Balance at the end of the financial year	<u>5,130,385</u>	<u>5,176,857</u>

THE SOLICITORS' FIDELITY FUND OF THE AUSTRALIAN CAPITAL TERRITORY

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014**

	Notes	2014 \$	2013 \$
Cash flows from operating activities			
Receipts from contributions		40,108	38,980
Recoveries & GST refunds		12,075	127,701
Payments		(165,885)	(184,523)
Interest received		<u>199,707</u>	<u>239,494</u>
Net cash inflow (outflow) from operating activities		<u>86,005</u>	<u>221,652</u>
Cash flows from investing activities			
Proceeds from investments		<u>50,600</u>	<u>(153,582)</u>
Net cash inflow (outflow) from investing activities		<u>50,600</u>	<u>(153,582)</u>
Net increase/ (decrease) in cash held		136,605	68,070
Cash at the beginning of the financial year		<u>152,461</u>	<u>84,391</u>
Cash at the end of the financial year	3	<u><u>289,066</u></u>	<u><u>152,461</u></u>

THE SOLICITORS' FIDELITY FUND OF THE AUSTRALIAN CAPITAL TERRITORY

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Solicitor's Fidelity Fund (the Fund) of the Australian Capital Territory is a statutory body incorporated in the Australian Capital Territory under the Legal Profession Act 2006. The financial statements cover the Fund as an individual not-for-profit entity. Its registered office and principal place of business is 11 London Circuit, Canberra City, ACT, 2601.

Basis of Preparation

Reporting Basis and Conventions

The Fund has elected to adopt the Australian Accounting Standards – Reduced Disclosure Requirements (established by AASB 1053 Application of Tiers of Australian Accounting Standards, and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements).

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (Reduced Disclosure Requirements of the Australian Accounting Standards Board), including Australian Accounting Interpretations, and other authoritative pronouncements of the Australian Accounting Standards Board, and the requirements of the Legal Profession Act 2006.

A number of new or revised Australian Accounting Standards are effective for the first time in the current financial year. These standards have had no material impact on the entity.

The financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The following is a summary of the material accounting policies adopted in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

Accounting Policies

(a) **Income Tax**

The entity is exempt from income tax under relevant provisions of the Income Tax Assessment Act.

(b) **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less.

(c) **Revenue Recognition**

Contributions and recovered investigation/management costs are recognised upon the receipt of funds or when they become recoverable if earlier.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) **Investments**

Investments in bank bills and deposits are brought to account at cost and interest income is recognised in the profit or loss when receivable. The investments are classified as non-current assets as they are held for longer terms and the deposits are expected to be rolled over upon maturity.

(e) **Financial Instruments**

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139 Financial Instruments: Recognition and Measurement. Gains and losses arising from changes in the fair value of these assets are included in the profit or loss in the period in which they arise.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities, and it is the intention to hold these investments to maturity. Any held-to-maturity investments held are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investment revaluation reserve.

Financial liabilities

Financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Impairment

At the end of the reporting period, an assessment is made of whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the profit or loss.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of the GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(g) **Comparatives**

Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Critical Accounting Estimates and Judgements

The Councillors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Fund.

The Councillors do not believe that there were any key estimates or key judgements used in the development of the financial statements that give rise to a significant risk of material adjustment in the future.

THE SOLICITORS' FIDELITY FUND OF THE AUSTRALIAN CAPITAL TERRITORY

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

	2014	2013
	\$	\$
NOTE 2 REVENUE		
Revenue from operating activities		
Interest on investments	198,806	238,658
Contributions	40,109	38,980
Recovery of investigations/management costs	<u>-</u>	<u>-</u>
	<u>238,915</u>	<u>277,638</u>
NOTE 3 CASH AND CASH EQUIVALENTS		
Cash at bank	<u>289,066</u>	<u>152,461</u>
NOTE 4 TRADE AND OTHER RECEIVABLES		
Trade debtors – The Law Society of the Australian Capital Territory	43,540	38,870
Accrued interest	<u>62,224</u>	<u>63,124</u>
	<u>105,764</u>	<u>101,994</u>
NOTE 5 INVESTMENTS		
<i>Held-to-Maturity Investments</i>		
Commonwealth Bank	-	1,024,918
St George Bank	-	675,682
National Australia Bank	3,263,971	3,263,971
Westpac	<u>1,650,000</u>	<u>-</u>
	<u>4,913,971</u>	<u>4,964,571</u>
These deposits have maturities of 6 months from the date of their deposit.		
NOTE 6 TRADE AND OTHER PAYABLES		
Claims on Fund for financial loss	116,528	-
Trade creditors and accruals	18,348	3,299
Contributions received in advance	<u>43,540</u>	<u>38,870</u>
	<u>178,416</u>	<u>42,169</u>

THE SOLICITORS' FIDELITY FUND OF THE AUSTRALIAN CAPITAL TERRITORY

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

	2014	2013
	\$	\$

NOTE 7 LEGISLATION

The Solicitors' Fidelity Fund of the Australian Capital Territory is maintained by the Law Society of the Australian Capital Territory, a related party, in accordance with s320 of the Legal Profession Act 2006. The Fund has no employees.

NOTE 8 AUDITORS' REMUNERATION

Audit of the Fund's financial statements	2,750	2,600
Conduct of random inspections	<u>35,830</u>	<u>48,600</u>
	<u>38,580</u>	<u>51,200</u>

NOTE 9 FINANCIAL RISK MANAGEMENT

The accounting policies and terms and conditions of each class of financial asset and financial liability at the end of the reporting period are consistent with those regularly adopted by businesses in Australia.

The Fund is not subject to any significant liquidity or credit risk. Interest rate risk is managed by the Fund reviewing the interest rate profile, current rates and the market outlook and taking actions as necessary to ensure that risk levels are maintained at a satisfactory level. A 1% movement in interest rates on term deposits held at year end would have an annual effect of \$49,140 on profit and equity.

An actuarial assessment of the Fund was made in December 2013 and it assessed \$5,000,000 as an appropriate level of net assets to cover potential claims on the fund. Therefore as the current Fund balance is in excess of this amount, no shortfall was identified.

The totals for each category of financial instrument, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note		
Financial Assets			
Cash and cash equivalents	3	289,066	152,461
Held-to-maturity investments	5	4,913,971	4,964,571
Loans and receivables	4	<u>105,764</u>	<u>101,994</u>
Total Financial Assets		<u>5,308,801</u>	<u>5,219,026</u>
Financial Liabilities			
Trade and other payables	6	<u>178,416</u>	<u>42,169</u>
Total Financial Liabilities		<u>178,416</u>	<u>42,169</u>

Net Fair Values

Financial assets and liabilities are carried at their net fair value at the end of the reporting period. The carrying values of financial assets and financial liabilities approximate their net fair values due to their short terms of maturity or market interest rates. No financial assets or financial liabilities are traded on organised markets in standard form.

THE SOLICITORS' FIDELITY FUND OF THE AUSTRALIAN CAPITAL TERRITORY

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

NOTE 10 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent liabilities or contingent assets at the end of the financial year.

NOTE 11 EVENTS AFTER THE REPORTING PERIOD

These financial statements were authorised for issue by the Councillors on the date of signing the attached Councillors' Declaration. The Councillors have the power to amend the financial statements after they are issued.

There are no other events after the end of the reporting period which require amendment of, or further disclosure in, the financial statements.

**COUNCILLORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2014**


The Councillors declare that the financial statements and notes set out on pages 1 to 10:


- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and other mandatory professional reporting requirements; and
- (b) present fairly the Fund's financial position as at 30 June 2014 and its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date.

In the Councillors' opinion:

- (a) the financial statements and notes are in accordance with the requirements of the Legal Profession Act 2006; and
- (b) there are reasonable grounds to believe that the Fund 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 Councillors.


Councillor
18 August 2014


Councillor
18 August 2014

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SOLICITORS' FIDELITY FUND OF THE AUSTRALIAN CAPITAL TERRITORY

We have audited the accompanying financial statements of the Solicitors' Fidelity Fund of the Australian Capital Territory which comprises the statement of financial position as at 30 June 2014, and statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes.

The Responsibility of the Council for the Financial Statements

The Council is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, and for such internal control as the Council determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We 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 about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, 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 statements 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 Council, as well as evaluating the overall presentation of the financial statements.

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

Duesburys Nexia

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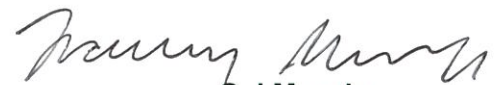


Auditor's Opinion

In our opinion the financial statements present fairly, in all material respects, the financial position of the Solicitors' Fidelity Fund of the Australian Capital Territory as at 30 June 2014 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards – Reduced Disclosure Requirements.



Duesburys Nexia
Canberra, 18 August 2014



G J Murphy
Partner

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