



The Law  
Society  
OF TASMANIA

# **ANNUAL REPORT**

## **2009 – 2010**

**To be Presented at the  
Annual General Meeting  
of the  
Law Society of Tasmania  
on  
15 October 2010**

# THE LAW SOCIETY COUNCIL

## 2009 – 2010

### President

G L Jones

### Vice-President

W M Griffiths

### Hon Treasurer

L O Rheinberger

### Council

K L Baumeler	[S]	A R McKee*	[S]
G B Bradfield	[S]	A P Mihal	[N-W]
C A Cunningham	[S]	F V Moore*	[N]
W M Griffiths*	[N]	S A Nicholson	[S]
A J Hall	[N]	L O Rheinberger*	[S]
J E Higgins	[N]	L S Topfer*	[N-W]
G L Johnston	[S]	M J Verney	[N-W]
G L Jones*	[N]	D F M Zeeman*	[S]

### Executive Committee Member\*

### Executive Director

M Hagan

### Law Council of Australia Director

C A Cunningham [part year]

L S Topfer [part year]

# Committees 2009 – 2010

## Regional Committees

### Northern

W M Griffiths [Chair]  
P J Lebski [Secretary]  
S P Bishop  
S J N Brown  
J L Byrne  
D P Cordell  
B H Crawford  
B R Doolan  
C N Dockray  
W D Edwards  
C J Foon  
J M French  
G L Jones  
J C Kitto  
S B McElwaine  
F V Moore  
R M Murray  
P R Page  
P E Rae  
K J Stanton  
A Trezise  
G Tucker  
P A Welch  
T J Whyte

### Litigious Issues Committee

P L Jackson [Convenor]

### Mediation & Arbitration

J B Walker [Chair]  
W J Friend  
C J Gunson  
P R Theobald

### Southern

L O Rheinberger [Chair]  
K L Baumeler  
G B Bradfield  
C A Cunningham [part year]  
G L Johnston  
A R McKee  
S A Nicholson  
D F M Zeeman

### North-West

L S Topfer [Chair]  
A P Mihal [Secretary]  
M J Verney

### Litigious Costs Standing Committee

W M Griffiths [Convenor]

### Integrity Commission Working Party

G P Geason [Chair]  
V A J Mitchell  
S A Nicholson  
G W Stevens

**Criminal Law Committee**

K L Baumeler [Chair]  
T J Ellis SC  
J Hartnett  
C D Mackie  
R Mainwaring  
G W Stevens

**Litigation Committee**

D R Fairley [Chair]  
C J Gunson  
E Hughes  
R Mainwaring  
A B Walker

**Property & Commercial Law Committee**

G B Bradfield [Chair]  
P A Bowen  
P Chan  
T J Hiscutt  
L Johnson  
M J Keeling  
P J Lebski  
J P McMullen  
R C Manning  
J A Munnings  
M J C Pawson  
N R Reaburn  
J G Samec  
T J Tierney  
J R Upcher  
T J Whyte  
A L Wiss

**Employment & Equal Opportunities Committee**

A R Mills [Chair]  
E N Archer  
C A Green  
J Kacee  
J Sheridan

**Solicitors' Accounts Rules Committee**

P V Manser [Chair]  
R Byrne  
M J Crisp  
A N Morgan  
C S Church

**Pro Bono Committee**

G Johnston [Chair]  
G B Bradfield  
G P Geason  
C R Higgins  
J Hutchison  
A R McKee  
R C Manning  
V A J Mitchell  
A J Smith  
M J Verney

**Public Relations Committee**

C A Cunningham [Chair]  
P A Bowen  
C F McKenzie  
N R Readett  
P Fitzgerald

## Young Lawyers

### **Southern Committee**

K E Smith [President]  
Ekaterina Skaladis [Secretary]  
S S Alcock  
S A Chadwick  
M L Eddington  
M E Furmage  
E Fyfe  
T J Hiscutt  
M J Keeling  
K A Moss  
J P Mullavey  
S A Nicholson  
N S Munting  
A Norton  
Y Prenc  
M L Purtell  
E L White

### **Northern Committee**

J E Higgins [President]  
Emily Judd [Secretary]  
L S Bartlett [Treasurer]  
C M Carney  
M J Howard  
E L Sims  
S E Slade  
R N Stewart

### **Representative on National Young Lawyers' Committee**

M L Purtell

### **Elder & Succession Law Committee**

A J Smith [Chair]  
A R Cameron  
B E Davies  
P J Joyce  
P J Lebski  
S C McCulloch  
K E McLagan

K A Moss  
B F E Rheinberger  
K E Smith  
T J Tierney  
J B Walker

**The President is an *ex officio* member of all Law Society Committees.**

## **The Society's Nominees on Other Bodies**

### **Board of Legal Education**

G L Jones [part year]  
S A Nicholson [part year]  
M E O'Farrell [part year]  
A B Walker [part year]  
M Hagan [Secretary]

### **Road Safety Consultative Committee**

W M Griffiths

### **Law Council of Australia Access to Justice Committee**

S J N Brown

### **Legal Aid Commission**

N R Readett  
S Taglieri

### **Law Council of Australia Criminal Law Committee**

K L Baumeler

### **Council of Law Reporting**

M J Crisp

### **The Law Foundation of Tasmania Ltd**

G L Jones [Chair]  
W M Griffiths  
N R Readett  
M Hagan [Secretary]

### **Centre for Legal Studies Ltd**

T G Bugg [Chair]  
P A Bowen  
G L Jones  
Martyn Hagan [Company Secretary]

### **Solicitors' Trust**

M J Crisp [Chair]  
P Kuzis

### **University of Tasmania**

**Law Faculty**  
**Teaching and Learning Committee**  
D F M Zeeman  
G P Geason

## **Associate Bodies**

### **Family Law Practitioners' Association**

J Waterhouse [President]  
C J Gregg [Vice-President S]  
J K Petersen [Vice-President N-W]  
L E Peacock [Secretary]  
A L Graham [Treasurer]  
S P Bishop  
S A Chadwick  
T M Eaton  
K A Ewan  
P Fitzgerald  
A F FitzGerald  
M G Foster  
K E Fowler  
M W Longbottom  
M A Nettlefold  
A N Nicholson  
M A Ryan  
P R Theobold

### **Tasmanian Women Lawyers Inc.**

M A Ryan [President]  
B F E Rheinberger [Secretary]  
J Harrington [Treasurer]  
S M Fahey  
M A Nettlefold  
S Taglieri  
C N Wootton

## **President's Report to the Annual General Meeting of the Law Society of Tasmania 2010**

In early 2009, the Council of Australian Governments (COAG) determined that work needed to be done to nationalise regulation of the Australian legal profession. Whilst there is considerable merit in making the profession a truly national one, it must not be to the detriment of the profession in smaller states, especially Tasmania. The Commonwealth Government strongly supports the National Legal Profession Reform Project which is also supported by Law Council of Australia. In recent months the Society has been working hard to represent the interests of the legal profession in Tasmania in relation to the reform project.

In general terms, the Society supports the simplification of existing legislative provisions to ease regulatory burden on legal practitioners who engage in multi-jurisdictional legal practices. However, we do not support the simplification of the regulation of the profession if it is likely to result in an increase in costs to consumers and the legal profession or if there are to be significant disadvantages for legal practitioners in this state. It is disappointing that the Taskforce, whose job it is to make recommendations to COAG, has not provided appropriate costing information and funding proposals at this stage.

The interests of large law firms are well represented in the reform process. Therefore, it is important to promote and protect the interests of private practitioners from medium and small firms, especially those who practise in suburban, regional and rural parts of Australia. As Tasmania is within that category, we must ensure that we are not forgotten in the reform process. The Society has prepared written submissions which have been delivered to both the Taskforce and Law Council of Australia. We will continue to be involved in the process, representing the interests of Tasmanian legal practitioners.

The legal profession has for some years suffered some "image" problems – either as a consequence of certain events or from the relentless criticism of the media and others. This year the Society has taken steps to improve its image by informing the public about the sense and value of engaging legal professionals to do their legal work. In January the Society launched a statewide publicity campaign on behalf of the profession to raise awareness of the benefits that can come from using a lawyer. "Lawyers. Your Experts in the Law" was a marketing initiative about public education. We set out to inform the public about the ways lawyers provide invaluable and expert assistance and that they are approachable and professional people. It is the profession and its values that were promoted.

During the year the Committee of the Tasmanian Bar Association agreed to accept the Society's offer to become our litigious section. By combining the resources, and speaking with a unified voice, it should result in greater impact and influence. The Society welcomes the merger and looks forward to the contribution that will be made by its new litigious section.

In May, the Society announced the launch of a Pro-Bono Clearing House designed to offer free legal services to people and organisations in genuine need of legal assistance who are unable to pay for legal services. Under the scheme, individuals and



organisations, such as not for profit and community groups, can apply for assistance from the scheme. Individuals and organisations may be eligible for assistance if they are likely to suffer a serious injustice without legal representation, are not eligible for a grant of legal aid, and have insufficient means to afford legal services at normal rates. Whilst the scheme has only been in existence for a few months it is functioning well and is a credit to all involved. Pro-Bono work can provide a significant benefit to the Society and the practitioners involved, as it strengthens their connection with the local community and improves its perception of legal practitioners.

The profession is going through a time of change and the role of our Society must change with it. The number of legal practitioners in Tasmania are in decline. Without significant intervention numbers will continue to decline and ultimately this will impact on our local communities and the ability of individuals to access the justice system. The Society is doing all that it can to attract lawyers to rural and regional areas of Tasmania and to retain them within those communities on a long term basis.

The Society became aware of the Commonwealth Government's Regional Innovations Programme for Legal Services (RIPLS) which is administered by the Legal Aid Commission of Tasmania. A significant aspect of the Programme is the provision of funding to private firms to improve the availability of legal services in regional areas. I am pleased to report that three private firms from the north-west coast have been successful with their applications for funding and assistance and each firm will receive the sum of \$25,000.00 to assist with the employment of graduate solicitors which will enhance the provision of legal services in that region. The Society is pleased to have been able to assist these graduate solicitors and the legal profession on the north-west coast.

The Society continues to highlight inefficiencies within the legal system in Tasmania and to make comment on legislation and law reform issues to the Government. Where appropriate the Society publicly expresses concerns about issues that affect its members and members of the community. During the last twelve months I have participated in considerable debate through all forms of the media. The Society will continue to do so.

The Society has been pro-active and involved in effective lobbying. We have had regular meetings with the Attorney-General and her opposition counterpart. The meetings have been beneficial and productive and I thank them both for their support.

The Society continues to provide significant benefits to all practitioners and will continue its ongoing support for the continuing professional development programmes and social programmes. During the course of the year the Society hosted a dinner for the north-west profession in Burnie and a dinner for the northern profession in Launceston. These were well attended and thoroughly enjoyed by the participants.

The opening of the legal year is fast becoming the most significant day on our annual legal calendar. This year the dinner was an outstanding success if the number who attended is any guide. It was particularly encouraging to see such a large number of young practitioners and their partners enjoying the evening. I would encourage those who did not attend this important day this year to mark 28 January, 2011 in their diary now.

During the last twelve months the Society has forged a closer relationship with the Law School and the Tasmanian Legal Practice Course. I participated in a number of forums where I took the opportunity to speak to the students about the opportunities for graduate lawyers in Tasmania and to explain the advantages and benefits of legal practice in this state. The Society will continue to foster our relationship with the students and provide a clear pathway for them to enter our profession. With this in mind, the Society called for

expressions of interest from firms and practitioners willing to offer practical experience. A number of private firms have indicated their preparedness to offer summer clerkships and work experience to the students. We encourage more to do so. A closer relationship between students and practitioners will create opportunities and a greater understanding between both. The Society will continue to be actively involved in this area.

The activities undertaken by the Society and its Council are considerable. The contributions made by Council members are a credit to those individuals and their profession. I thank the Council members for their support and guidance during the year. I acknowledge the significant contribution made by our Executive Director and his hard-working staff. For me the last twelve months have been stimulating and satisfying and I have enjoyed serving the profession as its President.

GRAEME L. JONES  
PRESIDENT

## **Treasurer's Report to the Annual General Meeting of the Law Society of Tasmania 2010**

The accounts of the Society represent the direction which the Society has taken since the introduction of the Legal Profession Act 2007 and the role which the Society fulfilled as investigator and prosecutor under the repealed *Legal Profession Act 1993*.

Professional fees paid for those disciplinary matters which the Society retained carriage of were greater than the previous year but the recoveries also increased in relation to the previous year. However it is expected that this figure will fall substantially in the coming year. There was no distribution from the Solicitors Trust for the period 2009 – 2010 compared to a sizeable distribution in the preceding financial year.

It is pleasing to note that income derived from the provision of continuing legal education increased markedly, more than doubling the figure from the previous year.

The land and buildings owned by the Society were revalued and the value of those assets has increased considerably.

The Statement of Cash Flow shows a net cash deficit for the year from operating expenses of \$75, 092, made up chiefly of the cost of the Society's one off public relations campaign.

The Expenditure Statement at Note 11 to the Accounts shows other one-off, non-cash expenditure for the year, including increases in depreciation allowance, staff salaries and provisions for long service leave and holiday pay.

The Society's financial position remains sound and there has been no extraordinary budget allocation made. The expectation is for a return to a break-even budget for the year 2010-11.

LUKE RHEINBERGER  
TREASURER

**The Private Legal Profession in Tasmania  
as at 17 September 2010**

<b>Solicitors</b>	<b>South</b>	<b>North</b>	<b>North West</b>	<b>Total</b>
Sole Principals	53	13	21	87
Partners 2	12	5	5	0
3	0	2	0	0
4	0	0	1	0
5	0	1	0	0
6	2	0	0	0
8	3	0	0	1
11	1	0	0	0
12	1	0	0	5
<b>Total Principals</b> (includes 2 Senior Counsel)	<b>136</b>	<b>34</b>	<b>35</b>	<b>205</b>
Employed practitioner	166	40	24	230
Community legal practitioners	16	5	3	24
Corporate practitioners	14		1	15
Locum practitioners	2	2	3	7
<b>Total solicitors</b>	<b>334</b>	<b>81</b>	<b>66</b>	<b>481</b>

<b>Barristers</b>				
Queen's and Senior Counsel	10	-	-	10
Junior Counsel	25	5	2	32
<b>Total barristers</b>	<b>35</b>	<b>5</b>	<b>2</b>	<b>42</b>

<b>Total Practitioners</b>	<b>523</b>
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<b>Associate members</b>	<b>114</b>
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<b>Firms</b>				
Sole principals	49	11	20	80
Partnerships	17	5	5	27
Incorporated legal practices	7	4	2	13
<b>Total firms</b>	<b>73</b>	<b>20</b>	<b>27</b>	<b>120</b>

**THE LAW SOCIETY OF TASMANIA  
INCOME STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2010**

	Notes	2010 \$	2009 \$
Revenue	11	853,876	1,680,823
Expenses from Ordinary Activities	11	(1,017,998)	(909,855)
NET PROFIT/(LOSS)		<u>(164,122)</u>	<u>770,968</u>
<b>TOTAL CHANGES IN EQUITY</b>		<u><b>(164,122)</b></u>	<u><b>770,968</b></u>

The accompanying notes form part of these financial statements

**THE LAW SOCIETY OF TASMANIA  
BALANCE SHEET  
FOR THE YEAR ENDED 30 JUNE 2010**

	Notes	2010 \$	2009 \$
<b>Current Assets</b>			
Cash assets	2	934,831	820,194
Receivables	3	101,421	80,075
Inventories	4	5,870	6,800
Other	5	3,402,008	3,630,177
<b>TOTAL CURRENT ASSETS</b>		<b>4,444,130</b>	<b>4,537,246</b>
<b>Non Current Assets</b>			
Property, plant and equipment	6	2,245,295	1,600,839
<b>TOTAL NON-CURRENT ASSETS</b>		<b>2,245,295</b>	<b>1,600,839</b>
<b>TOTAL ASSETS</b>		<b>6,689,425</b>	<b>6,138,085</b>
<b>Current Liabilities</b>			
Payables	7	119,392	33,623
Current tax liabilities		172,184	179,937
Provisions	8	420,534	396,241
Other	9	2,030,615	2,075,513
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,742,725</b>	<b>2,685,314</b>
<b>TOTAL LIABILITIES</b>		<b>2,742,725</b>	<b>2,685,314</b>
<b>NET ASSETS</b>		<b>3,946,700</b>	<b>3,452,771</b>
<b>Members' Funds</b>			
Capital Profits Reserve		43,843	43,843
Asset Revaluation Reserve		658,051	-
Accumulated Society Funds		3,408,928	2,637,960
Annual Surplus		(164,122)	770,968
<b>TOTAL MEMBERS' FUND</b>		<b>3,946,700</b>	<b>3,452,771</b>

The accompanying notes form part of these financial statements

**THE LAW SOCIETY OF TASMANIA  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2010**

	Notes	2010	2009
		\$	\$
<b>Cash Flow from Operating Activities</b>			
Receipts from customers		657,640	2,067,546
Payments to suppliers and employees		(848,120)	(862,138)
Interest received		117,222	144,073
Interest and other costs of finance		(1,834)	(3,218)
		<hr/>	<hr/>
Net cash provided by (used in) Operating Activities (Note 10)		<b>(75,092)</b>	<b>1,346,263</b>
		<hr/>	<hr/>
<b>Cash Flow from Investing Activities</b>			
Payment for Property, Plant and Equipment		(33,993)	(24,169)
		<hr/>	<hr/>
Net cash provided by (used in) Investing activities		(33,993)	(24,169)
		<hr/>	<hr/>
Net increase/(decrease) in cash held		(109,085)	1,322,094
Cash at the beginning of the year		4,432,797	3,110,703
		<hr/>	<hr/>
<b>Cash at the end of the year (Note 10)</b>		<b>4,323,712</b>	<b>4,432,797</b>
		<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form part of these financial statements

**THE LAW SOCIETY OF TASMANIA  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2010**

	<b>Retained Earnings</b>
	<b>\$</b>
<b>Opening Balance 1 July 2008</b>	<u>2,681,803</u>
Profit for the year ended 30 June 2009	770,968
<b>Balance as at 30 June 2009</b>	<u>3,452,771</u>
Profit/(Loss) for the year ended 30 June 2010	(164,122)
Movement in Asset Revaluation Reserve	658,051
<b>Balance as at 30 June 2010</b>	<u>3,946,700</u>

The accompanying notes form part of these financial statements



**THE LAW SOCIETY OF TASMANIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of Preparation**

This financial report is a special purpose financial report prepared specifically for distribution to members in accordance with The Law Society By-Laws 1994 made under the *Legal Professional Act 1993*. The Council has determined that the Society is not a reporting entity.

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

AASB 1031:	Materiality
AASB 110:	Events after the Balance Sheet Date

The Financial Report has been prepared on an accruals basis from the records of the Society. It is based on historical costs and does not take into account changing money values, or except where specifically stated, current values of non-current assets.

**(b) Property, Furniture and Equipment**

*Property*

Properties are included at valuation less provision for depreciation (excluding land content). Valuations have been determined from independent advice. These revaluations take no account of potential capital gains tax. Net revaluations increments, which arise, are transferred to the asset revaluation reserve, apart from those reversing previous decrements, which were charged to operating profit. Net revaluation decrements, apart from those reversing previous increments are charged to operating profit.

*Furniture and Equipment*

Furniture and equipment and improvements are included at cost. Assets are depreciated over their estimated useful lives commencing from the time the asset is ready for use.

*Depreciation*

The depreciable amount of all fixed assets, including buildings, is depreciated on a straight line basis over the asset's useful life to the society commencing from the time the asset is ready for use

**(c) Comparative Figures**

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

**(d) Income Tax**

The provision for income tax is not necessary as the Society is exempt from income tax.

The accompanying notes form part of these financial statements

**THE LAW SOCIETY OF TASMANIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CON'D)**

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

Revenues, expenses and assets are recognised net of the amount of GST except:

- Where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables are stated with the amount of GST included

The Net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Balance Sheet.

**(f) Employee Benefits**

Provision is made for the society's liability for employee benefits arising from services rendered by employees to balance date.

**THE LAW SOCIETY OF TASMANIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

<b>NOTE 2: CASH</b>	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
Bank accounts:		
- Westpac cheque account	770,034	716,351
- Westpac maxi direct account	76,006	100,776
Solicitors Trust holding account – CBA	88,491	2,767
Other cash items:		
- Cash on hand	300	300
	<b>934,831</b>	<b>820,194</b>
 <b>NOTE 3: RECEIVABLES</b>		
Sundry debtors	101,421	80,075
	<b>101,421</b>	<b>80,075</b>
 <b>NOTE 4: INVENTORIES</b>		
Book stock at cost – Lawless Harvest	5,870	6,800
	<b>5,870</b>	<b>6,800</b>
 <b>NOTE 5: OTHER ASSETS</b>		
Short term deposits – Perpetual Trustees	-	240,611
Short term deposits – Commonwealth Bank	2,030,000	871,992
Short term deposits - Westpac	1,358,881	2,500,000
Prepaid insurance	13,127	17,574
	<b>3,402,008</b>	<b>3,630,177</b>

The accompanying notes form part of these financial statements

**THE LAW SOCIETY OF TASMANIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

<b>NOTE 6: PROPERTY PLANT AND EQUIPMENT</b>	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
<b>Plant and equipment:</b>		
- At cost	507,594	473,602
- (Less) accumulated depreciation	(403,663)	(376,227)
	<u><b>103,931</b></u>	<u><b>97,375</b></u>
 <b>Land and Buildings – At fair value:</b>		
28 Murray Street, Hobart	1,460,000	1,127,731
56A Charles Street, Launceston	675,000	425,000
(Less) Accumulated depreciation	-	(62,863)
	<u><b>2,135,000</b></u>	<u><b>1,489,868</b></u>
 <b>Motor vehicles:</b>		
- At cost	32,142	32,142
- (Less) Accumulated depreciation	(25,778)	(18,546)
	<u><b>6,364</b></u>	<u><b>13,596</b></u>
	<u><b>2,245,295</b></u>	<u><b>1,600,839</b></u>

Valuations – The fair value of land and buildings have been determined by reference to independent valuations as at 30/06/2010. The property at 28 Murray Street Hobart was deemed to have a market value of \$1,460,000 by Independent property valuers Saunders & Pitt, while ‘Staffordshire House’ at 56 Charles Street Launceston was deemed to have a market value of \$675,000 by National valuers Brothers & Newton Opteon.

Depreciation - Assets are depreciated over their estimated useful lives commencing from the time the asset is ready for use.

The accompanying notes form part of these financial statements

**THE LAW SOCIETY OF TASMANIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

<b>NOTE 7: PAYABLES</b>	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
Unsecured:		
- Sundry creditors	31,755	33,594
- Solicitors' Trust	87,637	29
	<hr/> <b>119,392</b> <hr/>	<hr/> <b>33,623</b> <hr/>
 <b>NOTE 8: PROVISIONS</b>		
<b>Current</b>		
Employee entitlements – annual and long service leave	79,853	45,643
Provision for library services	340,681	340,598
Provision for disciplinary costs	-	10,000
	<hr/> <b>420,534</b> <hr/>	<hr/> <b>396,241</b> <hr/>
 <b>NOTE 9: OTHER LIABILITIES</b>		
<b>Current</b>		
Practicing certificates in advance	404,695	396,679
PII premium in advance	1,554,751	1,626,026
PII mutual fund	49,320	24,493
Rent in advance	4,524	4,308
Sundry	17,325	2,861
Accrued expenses	-	21,146
	<hr/> <b>2,030,615</b> <hr/>	<hr/> <b>2,075,513</b> <hr/>

The accompanying notes form part of these financial statements

**THE LAW SOCIETY OF TASMANIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2009**

**NOTE 10: CASH FLOW INFORMATION**

**(a) Reconciliation of Cash**

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
Westpac cheque account	770,034	716,351
Westpac maxi direct account	76,006	100,776
Solicitors' Trust holding account – CBA	88,491	2,767
Cash on hand	300	300
Short term deposits - Perpetual Trustees	-	240,611
Short term deposits – Commonwealth Bank	2,030,000	871,992
Short term deposits - Westpac	1,358,881	2,500,000
	<b>4,323,712</b>	<b>4,432,797</b>

**(b) Reconciliation of Cash Flow from Operations with Net Profit**

Operating profit/(loss)	(164,122)	770,968
Depreciation	47,589	45,488
(Increase)/decrease in trade and term debtors	(21,346)	(8,014)
(Increase)/decrease in finished goods	930	3,400
(Increase)/decrease in other receivables	4,447	(7,379)
Increase/(decrease) in trade creditors	(1,839)	5,525
Increase/(decrease) in other creditors and accruals	34,956	459,661
Increase/(decrease) in sundry provisions	24,293	76,614
<b>Net cash provided by operating activities</b>	<b>(75,092)</b>	<b>1,346,263</b>

The accompanying notes form part of these financial statements

**THE LAW SOCIETY OF TASMANIA  
INCOME AND EXPENDITURE STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2010**

**NOTE 11:**

	<b>2010</b>	<b>2009</b>
	\$	\$
<b>Revenue</b>		
Interest received	117,222	144,073
Administration fees	12,701	10,533
Advertising	15,426	17,891
Certificate of fitness	1,400	2,104
Continuing legal education	23,264	11,385
Dinners and functions	19,409	34,741
Disciplinary action – costs recovered	48,295	10,440
Guarantee fund distribution	-	840,000
Hire of council rooms	9,430	4,131
Membership benefits	4,878	7,039
Practising certificate fees	401,755	402,827
Professional indemnity insurance funding	85,500	85,500
Sponsorship	50,600	45,500
Subscriptions	9,328	11,135
Sundry income	1,245	1,823
Rent received	53,423	51,701
<b>TOTAL</b>	<b>853,876</b>	<b>1,680,823</b>

The accompanying notes form part of these financial statements

**THE LAW SOCIETY OF TASMANIA  
INCOME AND EXPENDITURE STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2010**

	<b>2010</b>	<b>2009</b>
	\$	\$
<b>Expenses</b>		
Accountancy fees	16,635	18,350
Audit fees	5,124	4,500
Advertising and public relations	72,951	3,680
Bad debts	3,000	1,150
Bank fees and charges	1,834	3,218
Computer supplies and services	15,956	17,091
Consulting fees	-	21,018
Depreciation	47,589	45,488
Donations and Grants	8,764	5,027
Honorarium	69,545	67,916
Insurance	19,120	18,955
Lease payments	4,976	4,976
Light and power	15,549	10,746
Meetings, travel and accommodation, professional development	60,970	56,485
Membership benefits, dinners and functions	76,218	89,357
Printing and stationery	48,738	61,228
Professional fees – disciplinary action	64,865	44,772
Property Valuations	1,364	-
Rates and taxes	29,884	26,361
Repairs and cleaning	25,101	37,393
Salaries and remuneration	353,906	306,834
Security and fire alarms	14,240	8,641
Staff training	1,730	328
Subscriptions	1,829	1,686
Sundry expenses	7,923	5,839
Superannuation	27,811	26,779
Telephone, video conferencing and web expenses	22,376	22,037
<b>TOTAL EXPENSES</b>	<b>1,017,998</b>	<b>909,855</b>

The accompanying notes form part of these financial statements





## Wise Lord & Ferguson

*advice to advantage*



Chartered Accountants

### Independent auditor's report to

#### The members of the Law Society of Tasmania

We have audited the accompanying special purpose financial report of the Law Society of Tasmania, which comprises the Balance Sheet as at 30 June 2010, and the Income Statement, 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 Law Society of Tasmania is responsible for the preparation and fair presentation of the financial report and has determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the financial reporting requirements of the *Law Society of Tasmania By-Laws* and are appropriate to meet the needs of the members. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used are appropriate to the needs of the members.

We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Law Society of Tasmania, as well as evaluating the overall presentation of the financial report.



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Partners: Peter Beven, Harvey Gibson, Danny McCarthy, Douglas Thomson,  
Joanne Doyle, Stuart Clutterbuck, Ian Wheeler, Dean Johnson, Marg Marshall  
Managers: Alicia Leis, Melanie Richardson, Nick Carter, Paul Lyons,  
Simon Jones, Shaun Evans, Trent Queen

The financial report has been prepared for distribution to the members for the purpose of fulfilling the Law Society of Tasmania's financial reporting requirements under the *Law Society of Tasmania By-Laws*. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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

### **Independence**

In conducting our audit we have met the independence requirements of the Australian professional accounting bodies.

### **Auditor's Opinion**

In our opinion the financial report presents fairly, in all material respects, the financial position of the Law Society of Tasmania as of 30 June 2010 and of its financial performance and its cash flows for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.



**D J McARTHUR**  
PARTNER  
WISE LORD & FERGUSON  
CHARTERED ACCOUNTANTS  
160 Collins Street  
HOBART TAS 7000  
Dated: 20.9.10

**THE LAW SOCIETY OF TASMANIA  
STATEMENT BY HONORARY TREASURER  
FOR THE YEAR ENDED 30 JUNE 2010**

The Society is not a reporting entity and this purpose report is prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In my opinion the Income Statement, Balance Sheet, Statement of Cash Flows, Statement of Changes in Equity and Notes to the Financial Statements;

1. Present fairly the financial position of the Law Society of Tasmania as at 30 June 2010 and its performance for the year on that date; and
2. At the date of this statement, there are reasonable grounds to believe that the Society will be able to pay its debts as and when they fall due.



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**Luke Rheinberger**  
Honorary Treasurer

Dated: 20 September 2010