

Legal Contribution Trust

Final Report

For the period 1 July 2022 to 21 October 2022

Contents

Statement of Compliance	3
Overview	4
Independent Auditor's Report	6
Certification of Financial Statements	9
Statement of Comprehensive Income	10
Statement of Financial Position.....	11
Statement of Changes in Equity.....	12
Statement of Cash Flows	13
Notes to the Financial Statements	14

Statement of Compliance

For the period 1 July 2022 to 21 October 2022

HON JOHN QUIGLEY MLA

ATTORNEY GENERAL

In accordance with section 63 of the *Financial Management Act 2006*, we hereby submit for your information and presentation to Parliament, the Final Report of the Legal Contribution Trust for the reporting period 1 July 2022 to 21 October 2022.

The Final Report has been prepared in accordance with the provisions of the *Financial Management Act 2006*.



Michael Ferguson
Trustee (Chairperson)

Date: 28.3.2023

Contacts:

Postal Address
C/- Law Society of
Western Australia
PO Box Z5345
Perth WA 6831

Physical Address:
L4/160 St Georges
Terrace
Perth WA 6000

Electronic
Email: lct@lawsocietywa.asn.au
Telephone: 08 9324 9600
Facsimile: 08 9324 8699



Overview

Executive Summary

Operational Structure

The Legal Contribution Trust is managed by trustees appointed by the Governor and administered by the Law Society of Western Australia.

The trustees meet as required to consider any claims made against the Solicitors Guarantee Fund and to manage the financial and administration operations of the Legal Contribution Trust.

The Law Society of Western Australia performs the financial and administration operations of the Legal Contribution Trust. The Chairman of the Legal Contribution Trust is appointed as the Accountable Officer for the Trust. The General Manager Corporate Services from the Law Society of Western Australia acts as the Chief Finance Officer.

The introduction of the *Legal Profession Uniform Law (Western Australia)* from 1 July 2022 through the *Legal Profession Uniform Law Application Act 2022* removed the application of the *Financial Management Act 2006* and *Auditor General Act 2006* to the Legal Contribution Trust. To give effect to this, an amendment was made to remove the Trust from Schedule 1 of the *Financial Management Act 2006*. *Financial Management (Statutory Authorities) Regulations 2022* was published in the Government Gazette on 21 October 2022.

This is the final report of the Trust, which will be submitted to Parliament under Part 5 Division 3 of the *Financial Management Act 2006*.

Enabling Legislation

The Legal Contribution Trust was established in Western Australia by the *Legal Profession Act 2008*.

The *Legal Profession Act 2008* was repealed on 1 July 2022 however the Trust continues under the *Legal Profession Uniform Law (Western Australia)*.

Responsible Minister

The Hon. John Quigley, MLA, Attorney General

Trust Objectives

Section 103(1) of the *Legal Profession Uniform Law Application Act 2022* states the functions of the Trust to be:

- a) to receive and invest money paid to it under this Act, the *Legal Profession Uniform Law (WA)* or another Act;
- b) to apply money resulting from investments in the manner and for the purposes provided by Part 8;
- c) to administer and control the Guarantee Fund;
- d) to make a request to the Board that an external investigation be carried out under the *Legal Profession Uniform Law (WA)* Part 4.2;
- e) another function conferred or imposed on it by this Act, the *Legal Profession Uniform Law (WA)* or another Act.

Organisational Structure

Trustees

The trustees holding office during the year under review were:

Mr M Ferguson (Chairman)

(appointed by the Law Society of Western Australia)

Ms V Butler

(appointed by the Legal Practice Board)

Ms C Ferrari

(appointed by the Attorney General)



Auditor General

INDEPENDENT AUDITOR'S REPORT

2022

Legal Contribution Trust

To the Parliament of Western Australia

Report on the audit of the financial statements

Opinion

I have audited the financial statements of the Legal Contribution Trust (Trust) which comprise:

- the Statement of Financial Position at 21 October 2022, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the period 1 July 2022 to 21 October 2022
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are:

- based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Legal Contribution Trust for the period 1 July 2022 to 21 October 2022 and the financial position at the end of that period
- in accordance with Australian Accounting Standards (applicable to Tier 2 Entities), the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter – change of legislative nature and auditors

I draw your attention to Note 1 to the financial statements which details the change of auditors after the reporting date. My opinion is not modified in respect of this matter.

Responsibilities of the Reporting Officer for the financial statements

The Legal Contribution Trust ceased to be listed within Schedule 1 of the *Financial Management Act 2006* on 21 October 2022. The Treasurer appointed a Reporting Officer under section 68(1) of the Act who was responsible for:

- keeping proper accounts
- preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (applicable to Tier 2 Entities), the *Financial Management Act 2006* and the Treasurer's Instructions
- such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Reporting Officer is responsible for:

- assessing the entity's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Trust.

Auditor's responsibilities for the audit of the financial statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial statements is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at

https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

Report on the audit of controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Legal Contribution Trust. The controls exercised by the Trustees are those policies and procedures established to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions (the overall control objectives).

In my opinion, in all material respects, the controls exercised by the Legal Contribution Trust are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the period 1 July 2022 to 21 October 2022.

The Trustees' responsibilities

The Trustees are responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's Instructions and other relevant written law.

Auditor General's responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board.

That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and were implemented as designed.

An assurance engagement involves performing procedures to obtain evidence about the suitability of the controls design to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including an assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Limitations of controls

Because of the inherent limitations of any internal control structure, it is possible that, even if the controls are suitably designed and implemented as designed, once in operation, the overall control objectives may not be achieved so that fraud, error or non-compliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

Matter of significance

The Trust received approval from the Under Treasurer under section 68(4) and 70(1) of the *Financial Management Act 2006*, that it is not required to report key performance indicators for the financial reporting period ended 21 October 2022.

Consequently, key performance indicators were not reported in the final report for the period ended 21 October 2022. My opinion is not modified in respect of this matter.

My independence and quality control relating to the report on financial statements and controls

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other information

The Trustees are responsible for the other information. The other information is the information in the entity's final report for the period 1 July 2022 to 21 October 2022, but not the financial statements and my auditor's report.

My opinion on the financial statements does not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to those charged with governance and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report



Grant Robinson
Assistant Auditor General Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
28 March 2023

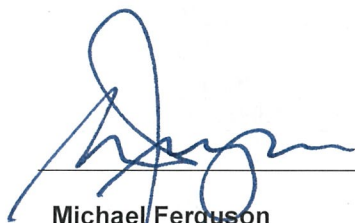
Legal Contribution Trust Financial Statements

Certification of Financial Statements

For the period 1 July 2022 to 21 October 2022

The accompanying financial statements of the Legal Contribution Trust have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the period 1 July 2022 to 21 October 2022 and the financial position as at 21 October 2022.

At the date of signing, we are not aware of any circumstances which would render the particulars included within the financial statements misleading or inaccurate.



Michael Ferguson
Chairperson

28.3.2023

Date

Catherine Ferrari
Trustee

28/03/2023

Date

Leanne Round
Chief Finance Officer

28/03/2023

Date

Date



Legal Contribution Trust

Statement of Comprehensive Income

For the period 1 July 2022 to 21 October 2022

	For the Period Ended 21 Oct 22 \$	For the Six Months Ended 30 Jun 22 \$
Income		
Levies on solicitors' trust accounts	1,430,447	238,311
Interest on investments	57,571	16,806
Other income	-	800,702
Contributions by legal practitioners	2,160	38,580
Total income	1,490,178	1,094,399
Expenses		
Administration expenses	46,670	85,529
Audit fees - Auditor General	29,700	31,117
Legal fees	5,200	30,299
Supervising solicitors	40,027	148,623
Trust account inspector service	-	223,552
Total expenses	121,597	519,120
Surplus for the period	1,368,581	575,279
Total comprehensive gain for the period	1,368,581	575,279

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.



Legal Contribution Trust

Statement of Financial Position

As at 21 October 2022

	Notes	21 Oct 22 \$	30 June 22 \$
Assets			
Current assets			
Cash and cash equivalents	3.1	16,908,417	15,799,794
Prepayments		746	2,836
Receivables	2.1	427,868	166,301
Total current assets		17,337,031	15,968,931
Total assets		17,337,031	15,968,931
Liabilities			
Current liabilities			
Payables	2.2	88,498	51,053
Provisions	2.3	33,849	71,775
Total current liabilities		122,347	122,828
Total liabilities		122,347	122,828
Net assets		17,214,684	15,846,103
Equity			
Accumulated surplus		17,214,684	15,846,103
Total equity		17,214,684	15,846,103

The Statement of Financial Position should be read in conjunction with the accompanying notes.



Legal Contribution Trust

Statement of Changes in Equity

For the period 1 July 2022 to 21 October 2022

	Accumulated surplus \$	Total equity \$
Balance at 31 December 2021	15,270,824	15,270,824
Surplus for the period	575,279	575,279
Other Comprehensive Income	-	-
Total comprehensive loss for the period	575,279	575,279
Balance at 30 June 2022	15,846,103	15,846,103
Surplus for the period	1,368,581	1,368,581
Other Comprehensive Income	-	-
Total comprehensive income for the period	1,368,581	1,368,581
Balance at 21 October 2022	17,214,684	17,214,684

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Legal Contribution Trust

Statement of Cash Flows

For the period 1 July 2022 to 21 October 2022

		For the Period Ended 21 Oct 22 \$	For the Six Months Ended 30 Jun 22 \$
	Notes		
Cash flows from operating activities			
Levies on solicitors' trust accounts		1,166,075	159,071
Interest received		21,384	11,917
Other revenue		-	800,702
Contributions by legal practitioners		12,240	28,500
Payments to suppliers		(91,076)	(896,551)
Net cash used in operating activities	3.1.2	1,108,623	103,639
Net increase in cash and cash equivalents		1,108,623	103,639
Cash and cash equivalents at the beginning of the period		15,799,794	15,696,155
Cash and cash equivalents at the end of the period	3.1	16,908,417	15,799,794

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

Legal Contribution Trust

Notes to the Financial Statements

For the period 1 July 2022 to 21 October 2022

1. Basis of preparation

The Legal Contribution Trust (the “Trust”) is a body established under the *Legal Profession Uniform Law Application Act 2022*. The Legal Contribution Trust is a not-for-profit entity (as profit is not its principal objective).

These financial statements were authorised for issue by the Accountable Authority of the Legal Contribution Trust on 28 March 2023.

Statement of compliance

These general-purpose financial statements are prepared in accordance with:

- 1) The *Financial Management Act 2006* (FMA)
- 2) The Treasurer’s Instructions (the instructions or TI)
- 3) Australian Accounting Standards (AAS) – Simplified Disclosures
- 4) Where appropriate, those AAS paragraphs applicable for not-for-profit entities have been applied.

The *Financial Management Act 2006* and the Treasurer’s Instructions (the Instructions) take precedence over AAS. Several AAS are modified by the Instructions to vary application, disclosure format and wording. Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

Effective from 22 October 2022, the Trust was removed from Schedule 1 of the *Financial Management Act 2006* through *Financial Management (Statutory Authorities) Regulations 2022*.

Change of legislative nature and auditors

The Auditor General ceased its responsibilities as the auditors of the Trust as required by the *Auditor General Act 2006* section 14 Audits of accounts of agencies after reporting period ended 21 October 2022. The Attorney General of Western Australia under the *Legal Profession Uniform Law Application Act 2022* section 50 is to approve the auditors appointed by the Trust Board after the reporting period.

Basis of preparation

The financial statements are presented in Australian dollars and apply the accrual basis of accounting and using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis). Where this is the case the different measurement basis is disclosed in the associated note. These financial statements represent the financial transactions and position of the Trust and the Solicitors Guarantee Fund which it administers and controls in accordance with section 103 of the *Legal Profession Uniform Law Application Act 2022*.

Accounting for Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of goods and services tax (GST), except that the:

- (a) amount of GST incurred by the Trust as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of an asset’s cost of acquisition or as part of an item of expense.

Cash flows are included in the Statement of cash flows on a net basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

Legal Contribution Trust

Notes to the Financial Statements (continued)

For the period 1 July 2022 to 21 October 2022

Comparative information

Except when an AAS permits or requires otherwise, comparative information is presented in respect of the previous period for all amounts reported in the financial statements.

Judgements and estimates

Judgements, estimates, and assumptions are required to be made about financial information being presented. The significant judgements and estimates made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements and/or estimates are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances.

Income

Income is recognised and measured at the fair value received or receivable. The main sources of income for the Trust are interest income on investments held and amounts levied on solicitor's trust accounts under the *Legal Profession Uniform Law Application Act 2022*. This income is a set percentage of the interest the solicitors trust accounts earn in the period, as at the reporting date the set percentage is 51%.

Financial instruments

Financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument and are initially measured at fair value.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. Financial liabilities are derecognised when, and only when it is discharged, cancelled, or expires.

The Trust has the following two categories of financial instruments:

- Financial assets measured at amortised cost; and
- Financial liabilities measured at amortised cost.

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or the face value. Subsequent measurement is at amortised cost using the effective interest method.

The fair value of short-term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

Legal Contribution Trust

Notes to the Financial Statements (continued)

For the period 1 July 2022 to 21 October 2022

2. Other assets and liabilities

This section sets out those assets and liabilities that arose from the Trust's controlled operations utilised for economic benefits and liabilities incurred during normal operations:

	Notes	21 Oct 22 \$	30 Jun 22 \$
Receivables	2.1	427,868	166,301
Payables	2.2	88,498	51,053
Provisions	2.3	33,849	71,775

2.1 Receivables

	21 Oct 22 \$	30 June 22 \$
<u>Current</u>		
GST receivable	11,996	40,907
Levies receivable on solicitors trust accounts	371,209	106,838
Interest receivable	44,663	8,476
Other receivables	-	10,080
Total receivables	427,868	166,301

Receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e., impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

2.2 Payables

	21 Oct 22 \$	30 June 22 \$
<u>Current</u>		
Trade payables	29,198	21,453
Accrued expenses	59,300	29,600
Total Payables	88,498	51,053

Payables are recognised at the amounts payable when the Trust becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as settlement is generally within 30 days.

Legal Contribution Trust

Notes to the Financial Statements (continued)

For the period 1 July 2022 to 21 October 2022

2.3 Provisions

Provisions are liabilities of uncertain timing or amount and are recognised where there is a present legal or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period.

The accounting estimate has been made on the basis of mitigating the expenses incurred in respect of future costs associated with rental, review, storage, and destruction of archived practice files. These costs are still outstanding and are expected to be settled in future reporting periods.

	21 Oct 22 \$	30 June 22 \$
<u>Current</u>		
Provision for future external intervention costs	33,849	71,775
Total Provisions	33,849	71,775

3. Financing

This section sets out the material balances and disclosures associated with the cash flows of the Trust.

	Notes
Cash and cash equivalents	3.1
Reconciliation of cash	3.1.1
Reconciliation of net surplus for the period to net cash flows from operating activities	3.1.2
Commitments	3.2

3.1 Cash and cash equivalents

3.1.1 Reconciliation of cash

	21 Oct 22 \$	30 June 22 \$
Cash and deposits at call	4,447,751	3,350,431
Term deposits	12,460,666	12,449,363
	16,908,417	15,799,794
Represented by:		
Cash and cash equivalents	16,908,417	15,799,794
Balance at end of period	16,908,417	15,799,794

For the purpose of the statement of cash flows, cash and cash equivalent assets comprise cash on hand and short-term deposits that are readily convertible to a known amount of cash, and which are subject to insignificant risk of changes in value.

Legal Contribution Trust
Notes to the Financial Statements (continued)
For the period 1 July 2022 to 21 October 2022

3.1.2 Reconciliation of net surplus for the period to net cash flows from operating activities

	21 Oct 22 \$	30 June 22 \$
Suplus for the period	1,368,581	575,279
	1,368,581	575,279
(Increase)/decrease in assets:		
Receivables and prepayments	(259,476)	(84,273)
Increase/(Decrease) in liabilities:		
Payables and provisions	(482)	(387,367)
Net cash used in operating activities	1,108,623	103,639

3.2 Commitments

There were no commitments as at 21 October 2022 (30 June 2022: Nil).

4. Financial Instruments and Contingencies

This note sets out the key risk management policies and measurement techniques of the Trust.

	Notes
Financial instruments	4.1
Contingent assets and liabilities	4.2
Contingent assets	4.2.1
Contingent liabilities	4.2.2

4.1 Financial instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:

	21 Oct 22 \$	30 June 22 \$
Financial assets		
Cash and cash equivalents	16,908,417	15,799,794
Financial assets at amortised cost ^(a)	415,872	125,394
Total financial assets	17,324,289	15,925,188
Financial liabilities		
Financial liabilities at amortised cost	88,498	51,053
Total financial liability	88,498	51,053

(a) The amount of receivables excludes GST recoverable from the ATO (statutory receivable).

Legal Contribution Trust

Notes to the Financial Statements (continued)

For the period 1 July 2022 to 21 October 2022

4.2 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the statement of financial position but are disclosed and, if quantifiable, are measured at nominal value.

Contingent assets and liabilities are presented inclusive of GST receivable or payable, respectively.

4.2.1 Contingent assets

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Trust. Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the Trust. A contingent asset is not recognised in the financial report since this may result in the recognition of income that may never be realised.

The total estimated financial settlement at 21 October 2022 is nil (30 June 2022: nil).

4.2.2 Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Trust. It can also be a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in rare cases where there is a liability that cannot be recognised because it cannot be measured reliably.

The Solicitors Guarantee Fund was established to provide a source of compensation for defaults by law practices arising from or constituted by acts or omissions of associates. At any point in time there can be numerous claims under investigation. Each claim is investigated by external legal counsel and recommendations are made to the Trustees for the appropriate outcome of each claim. There is uncertainty surrounding each claim until they are fully investigated, and a final recommendation is made to the Trustees by the external legal counsel. Until such determination is made, the Trust does not recognise any liability with respect to the claims under investigation.

The total estimated financial settlement amount of claims being investigated as at 21 October 2022 is nil (30 June 2022: nil).

Legal Contribution Trust

Notes to the Financial Statements (continued)

For the period 1 July 2022 to 21 October 2022

5. Other disclosures

This section includes additional material disclosures required by accounting standards or other pronouncements, for the understanding of this financial report.

	Notes
Key management personnel	5.1
Related party transactions	5.2
Remuneration of auditors	5.3
Events occurring after the end of the reporting period	5.4
Supplementary financial information	5.5

5.1 Key Management Personnel

The key management personnel of the Trust are the Trustees. No remuneration is paid to the Trustees by the Trust. There were no transactions with the Trustees in the period or balances outstanding at period end.

5.2 Related parties' transactions

The Trust is not considered to be a wholly owned public sector entity that is controlled by the State of Western Australia.

Outside of normal citizen type transactions with the Trust, there were no other related party transactions that involved key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

The Trust had no related or affiliated bodies for the period ended 21 October 2022 (30 June 2022: nil).

5.3 Remuneration of auditors

Remuneration paid or payable to the Auditor General is as follows:

	21 Oct 22	30 June 22
	\$	\$
Auditing the accounts, financial statements, controls, and key performance indicators	29,700*	31,117

**Audit for the period 1 July 2022 to 21 October 2022 did not include controls and key performance indicators.*

Legal Contribution Trust

Notes to the Financial Statements (continued)

For the period 1 July 2022 to 21 October 2022

5.4 Events occurring after the end of the reporting period

Effective from 22 October 2022, the Trust was removed from Schedule 1 of the *Financial Management Act 2006* through *Financial Management (Statutory Authorities) Regulations 2022*.

There were no other events occurring after the end the reporting period that has significantly affected or may significantly affect the operation of the Trust in future financial periods.

5.5 Supplementary financial information

(a) Solicitors Guarantee Fund – supplementary statement

The Solicitors Guarantee Fund is created under Part 8 of the *Legal Uniform Law Application Act 2022* (the Act). The value of the Solicitors Guarantee Fund forms part of the assets and liabilities of the Trust and are disclosed in the statement of financial position, statement of comprehensive income and the accompanying notes.

Pursuant to Section 103 (1) (c) of the Act, the Legal Contribution Trust controls and administers the Solicitors Guarantee Fund. It is from the Solicitors Guarantee Fund that claims are settled, and costs incurred in administering claims are paid.

The maximum value of the Solicitors Guarantee Fund has been set at \$19.1 million under Regulation 50 of the *Legal Profession Uniform Law Regulations 2022*.

Income earned by the Trust is retained as part of the Solicitors Guarantee Fund until it reaches its maximum balance. Income in excess of the maximum balance is appropriated to external beneficiaries pursuant to Section 201 of the Act.

As at 21 October 2022, the balance of the Solicitors Guarantee Fund is \$17,214,685 (30 June 2022: \$15,846,103). The surplus for the period was \$1,368,580 (30 June 2022: \$575,279).

The statement of financial position and statement of comprehensive income of the Solicitors Guarantee Fund are presented as a supplement to the financial statements of the Trust as disclosed on note 5.5(b) and 5.5(c).

The financial information in the attached supplements form part of the balance included in the Trust financial statements for the period ended 21 October 2022.

Legal Contribution Trust
Notes to the Financial Statements (continued)
For the period 1 July 2022 to 21 October 2022

(b) Solicitors Guarantee Fund – Statement of Financial Position

Statement of Financial Position

	21 Oct 22	30 Jun 22
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	15,384,539	15,407,673
Receivables	60,901	29,636
Legal Contribution Trust appropriation receivable	1,829,465	480,569
Total current assets	17,274,905	15,917,878
Total assets	17,274,905	15,917,878
Liabilities		
Current liabilities		
Payables	26,371	-
Provision	33,849	71,775
Total current liabilities	60,220	71,775
Total liabilities	60,220	71,775
Net assets	17,214,685	15,846,103
Equity		
Accumulated surplus	17,214,685	15,846,103
Total equity	17,214,685	15,846,103

Legal Contribution Trust

Notes to the Financial Statements (continued)

For the period 1 July 2022 to 21 October 2022

(c) Solicitors Guarantee Fund - Statement of Comprehensive Income for the period ended 21 October 2022

Statement of Comprehensive Income

	For the Period Ended 21 Oct 22 \$	For the Six Months Ended 30 Jun 22 \$
Income		
Contributions by legal practitioners	2,160	38,580
Appropriation from the Legal Contribution Trust	1,348,896	-
Other Income	-	800,000
Interest on investments	57,571	16,806
Total income	1,408,627	855,386
Expenses		
Supervising solicitors	40,027	148,623
Appropriation to the Legal Contribution Trust	-	131,355
Other expenses	20	129
Total expenses	40,047	280,107
Surplus/(deficit) for the period	1,368,580	575,279
Total comprehensive gain/(loss) for the period	1,368,580	575,279

(d) Other supplementary information

There were no losses of public money or other public property through theft or default during the period 1 July 2022 to 21 October 2022 (30 June 2022: nil).

There were no write offs of public money or other public property during the period 1 July 2022 to 21 October 2022 (30 June 2022: nil).

There were no gifts of public property during the period 1 July 2022 to 21 October 2022 (30 June 2022: nil).