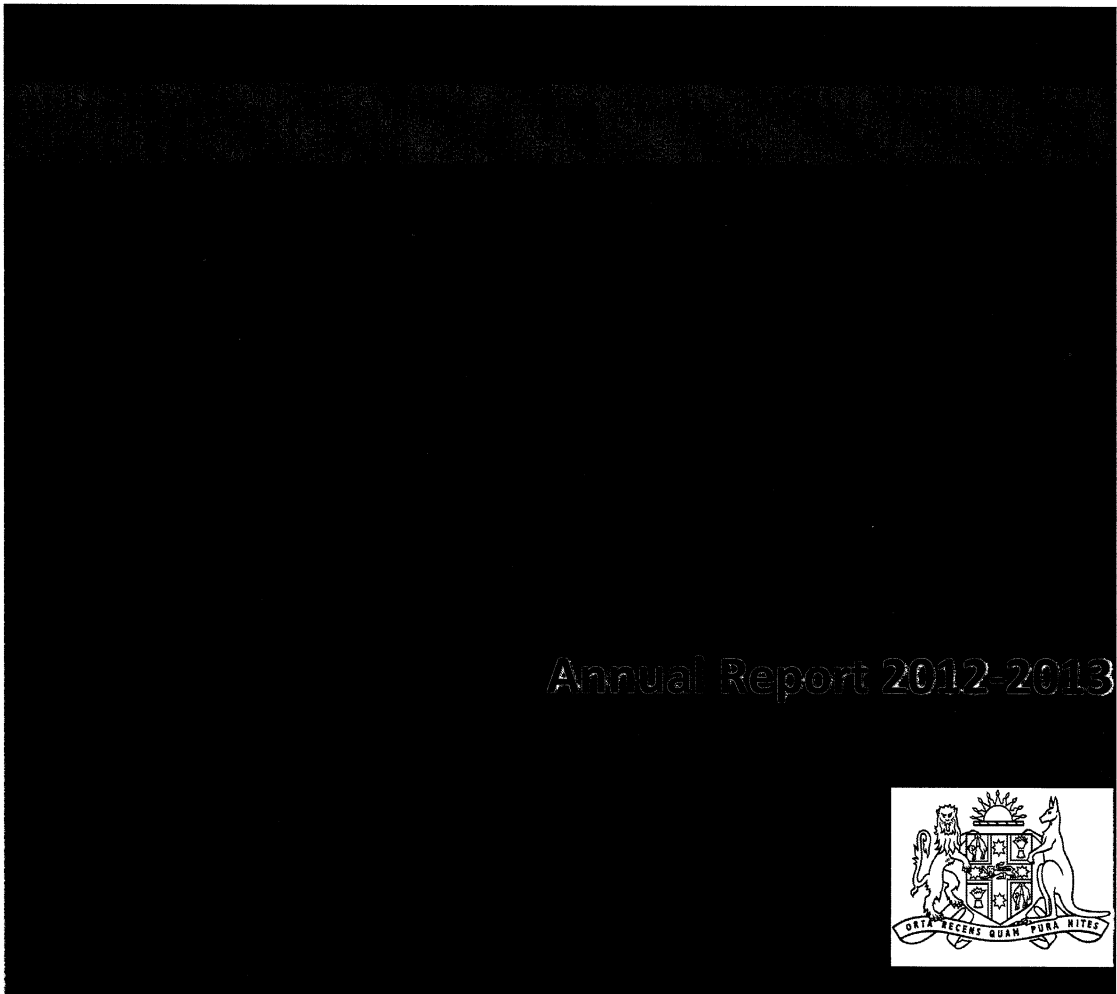
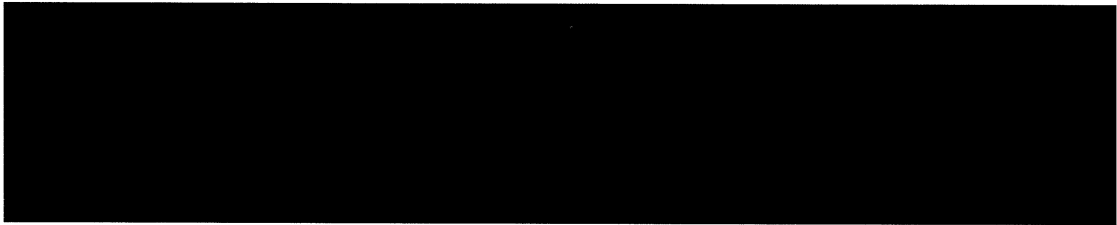


Legal Profession Admission Board



Annual Report 2012-2013



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CONTACT DETAILS

LOCATION

Level 4, 37 Bligh Street (Cnr Hunter Street)
Sydney NSW 2000

HOURS OF SERVICE

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WEB

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LPAB staff 2012 – 2013

Robin Szabo – Executive Officer, Louise Pritchard, Angela Stevens, Lynda Elmir – Legal Officers, Lynda Jennings – Acting Office Manager, Monika Bhattacharya – Professional Services Team Leader, Gordon Seago – Diploma in Law Coordinator, Tania Payne, Vahe Ohanessian - Student Services Officer, Robert Wilson, Examinations Officer, Ming Han – Accounts Officer, Margaret Horan – Executive Assistant, Alison Smith - Admissions Officer, Mylvaganam Nagarajah – Enquiries and Certificates Officer.

Assistance from Kiri Ambalavanar and other temporary staff is also acknowledged.

LETTER TO THE MINISTER

The Hon. Greg Smith SC MP
Attorney General
Minister for Justice
Level 33, Governor Macquarie Tower
1 Farrer Place
SYDNEY NSW 2000

Dear Attorney,

I am pleased to present you with the Annual Report for the Legal Profession Admission Board together with the Board's financial statements for the year ended 30 June 2013.

As required by the *Annual Reports (Statutory Bodies) Act 1984* and the *Public Finances and Audit Act 1983* I submit a report on the operations of the Board.

Yours faithfully

A handwritten signature in black ink, appearing to read 'rszabo', written in a cursive style.

Robin Szabo

Executive Officer
Registrar of Public Notaries

OUR CHARTER

The Legal Profession Admission Board (LPAB) is a statutory body and its functions include the admission of lawyers and appointment of public notaries in New South Wales. It assesses the qualifications of local and overseas applicants who seek entry to the legal profession and accredits academic and practical legal training courses. Successful completion of the Board's examinations leads to the award of the *Diploma in Law*, which satisfies the academic requirements for admission in NSW. The LPAB's responsibilities derive from the provisions of the *Legal Profession Act 2004* and the Legal Profession Admission Rules made pursuant to it, the *Public Notaries Act 1997*, its Appointment Rules and from the Board's close relationship to the Supreme Court of New South Wales. Since 1964 the Law Extension Committee (LEC) of the Senate of the University of Sydney has provided the legal education in support of the Board's examinations.

The LPAB

- Processes applications for admission as a lawyer, appointment as a public notary, registration as a student-at-law and various applications under the Board's rules
- Assesses the qualifications and experience of applicants for admission to the profession, including applicants from interstate or overseas
- Maintains the rolls of lawyers and public notaries
- Administers the Board's examinations for its Diploma in Law course
- Accredits law degree courses and courses of practical legal training in New South Wales
- Provides certificates, diplomas, academic records and other documents to lawyers, students-at-law and professional bodies
- Provides application forms, information booklets and advice in relation to the above services
- Assists the Supreme Court of NSW in the conduct of ceremonies for admission to the legal profession, and
- Communicates with and assists other admitting, regulatory and educational authorities to promote uniformity and the provision of quality services

Our vision

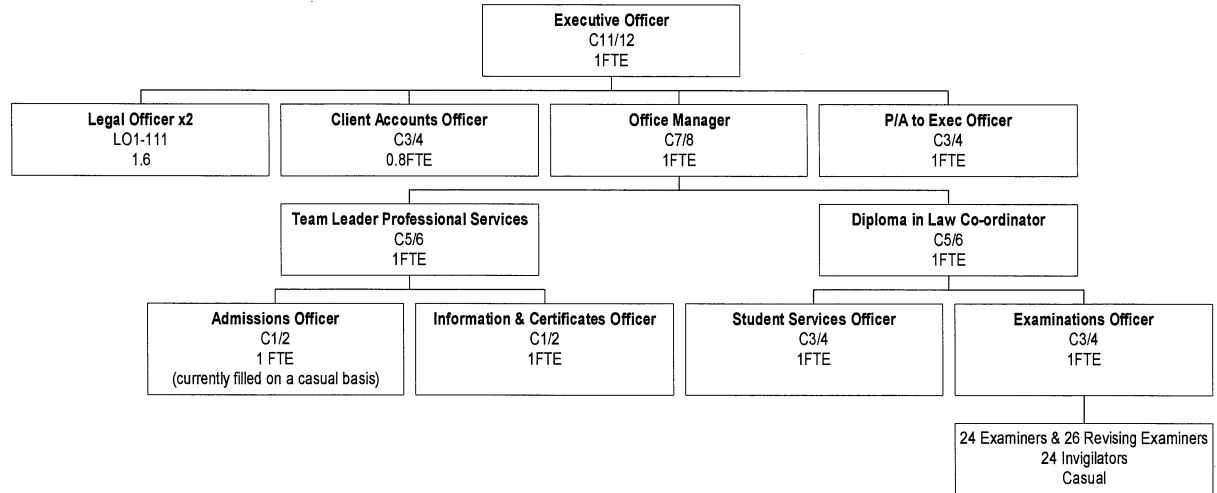
The vision of the LPAB is to continually improve services and business efficacy to provide an accessible and affordable pathway towards legal practice, to ensure that professional qualifications and all accredited courses are of the highest standard and provide quality, timely and cost effective services to all persons who have dealings with the Board.

We aim to improve client satisfaction through:

- Providing quality timely and cost effective information services
- Providing accessible, consistent and equitable services, and
- Team Work

Our staff

Legal Profession Admission Board Organisational Chart 2012-13



The LPAB has 11 fulltime equivalent staff. Grading and gender distribution is provided below.

Grade	Female	Male
Clerk 11/12	1	
Legal Officer I-III	1.6	
Clerk 7/8	1	
Clerk 5/6	1	1
Clerk 3/4	1.8	2
Clerk 1/2	1	1

The LPAB also employs 24 Casual Examiners, 26 Casual Revising Examiners and 24 Casual Exam Invigilators. It also engages short term temporary assistance during peak periods such as enrolments, examinations and on admission days.

REPORT FROM THE EXECUTIVE OFFICER

The 2012/2013 Annual Report of the Legal Profession Admission Board (LPAB) provides details of the structure, membership and operations of the Board. It includes our achievements, current strategies and projects that will allow us to continue to achieve greater efficiencies through efficient financial management, continued improvement of our procedures and client services and reduction of costs and wastage.

Highlights of 2012/2013

Highlights of our operational achievements are provided below:

- The Diploma in Law course remains an extremely cost effective means of achieving the academic requirements for admission as a lawyer. Course fees remain low because of the hard work and commitment of the LPAB staff. This course is the one of its kind in Australia and is well regarded.
- The spike in assessments of overseas lawyers has now stabilised at a higher rate than in previous years. This has flowed on to admission applications. There has been a 13% increase in the number of admission applications received from overseas.
- The LPAB had been managing to conduct its course, process academic exemption and admission applications utilising existing resources and only engages temporary assistance to assist with peak periods or specific tasks such as admission ceremonies.
- New students applying for registration as Students-at- Law have been surveyed as to where they heard about the LPAB's course. This has enabled us to target advertising more appropriately and resulted in significant savings.
- New guidelines to assist with correct completion of references for admission applicants have been developed by LPAB staff. It is anticipated this will reduce the number of forms that have to be rejected, improve compliance and customer satisfaction.
- New signage has been prepared to assist people attending admission ceremonies at the Supreme Court.
- LPAB and LEC staff again participated in the "Reinvent Your Career" Expo, which is an event that targets mature age participants seeking re-entry to the workforce, a change of career or undertaking further studies.
- The LPAB continued its participation in the Transition to Work program conducted by the Sydney Employment Development Service. This program involves providing work experience for people with cerebral palsy.

The Future, Uniform Legal Profession and Tertiary Education Reforms

From its historical beginnings in 1848, as the first body to offer a law qualification in Australia, the strength of the Legal Profession Admission Board (formerly known as Legal Practitioners Admission Board, and the Barristers and Solicitors Admission Boards) is the ability to evolve and remain relevant to changing times. The impact of the Uniform Legal Profession Reforms still remains uncertain as several jurisdictions have withdrawn their support for the new system of regulation. NSW and Victoria

have continued to progress a new version of the proposed law that incorporates feedback obtained following the release of the last version in late 2011. A simpler scheme is proposed and functions that were to be centralised such as admissions and accreditation of academic and practical legal training courses will continue to be performed at a local level under uniform rules and guidelines.

The Board and its staff continue to face considerable challenges to maintain operations and provide assistance and advice to facilitate these reforms and meet increasing demands on its resources. The Board has taken an active role in reviewing and responding to numerous proposals put forward by the Law Admissions Consultative Committee (LACC) and has highlighted issues arising from its annual review and accreditation of law degrees and practical legal training courses. The advice of the NSW Board, its Committees and LPAB staff is also often sought by other authorities in respect to matters of admission and the assessment of overseas qualifications. In addition, the new Tertiary Education Quality and Standards Agency (TEQSA) sought the nomination of experts from the Board to assist with assessment of an application for a new LLB degree. The Board could not fulfil its statutory obligations without the enormous contributions of Members of the Board, its Committees and Sub-Committees, all of whom take time from demanding positions to review agendas, attend meetings, prepare reports, represent the Board, assess applications and provide advice and assistance to myself and LPAB staff. Board Members are appointed by the Chief Justice of New South Wales, the Attorney General, Bar Council, Law Society Council and Council of Australian Law Deans and hold office until their nomination is withdrawn. Committee positions become vacant on 30 June of every even numbered year and the person or body responsible for appointing or nominating members is asked to nominate members for the next two years. Members may be re-nominated for subsequent years and the Board is fortunate to benefit from a combination of very experienced and newly appointed Committee and Sub-Committee members. LPAB staff work hard to provide the necessary administrative support and assistance to Board and Committee Members.

The Executive Officer and LPAB staff continues to work closely with the Director, LEC and LEC staff to ensure that the Board's course remains competitive and continues to be of the highest standard. This unique course has a rich history and is recognised as a means of allowing people from all walks of life, including country residents, an opportunity to study law.

The LPAB team thanks all involved in its operations for their valued contributions.



Robin Szabo
Executive Officer

MANAGEMENT AND STRUCTURE

The LPAB is constituted under Part 7.1 and Schedule 2 of the *Legal Profession Act 2004*. The Board is established as an independent statutory authority. However, for certain administrative and reporting purposes, it operates under the umbrella of the Department of Attorney General and Justice (DAGJ). DAGJ provides employees to the Board to enable it to carry out its functions.

The Board consists of 11 members, being:

- the Chief Justice of New South Wales, and
- 3 Judges of the Supreme Court nominated by the Chief Justice of New South Wales, and
- the Attorney General or a person nominated by the Attorney General, and
- 2 persons nominated by the Committee of NSW Law Deans (now Council Of Australian Law Deans), and
- 2 barristers nominated by the Bar Council, and
- 2 solicitors nominated by the Law Society Council.

Members of the Legal Profession Admission Board

The Honourable The Chief Justice
The Honourable Justice Slattery
The Honourable Justice Davies
The Honourable Justice Sackar (to 15/8/12)
The Honourable Justice Lindsay (from 15/8/12)
Mr Jeremy Gormly SC (to 14/5/13)
Ms Margaret Allars (from 14/5/13)
Mr Garry McGrath SC
Mr Charles Cawley
Mr John Dobson
Professor Stephen Colbran
Professor Luke McNamara (to 31/10/12)
Professor Michael Adams (from 16/11/12)
Ms Maureen Tangney (to 7/5/13)
Mr Marcel Savary (from 5/6/13)
Secretariat: Ms Robin Szabo

The Hon Justice Slattery is also the Board's representative on the Law Admissions Consultative Committee (LACC).

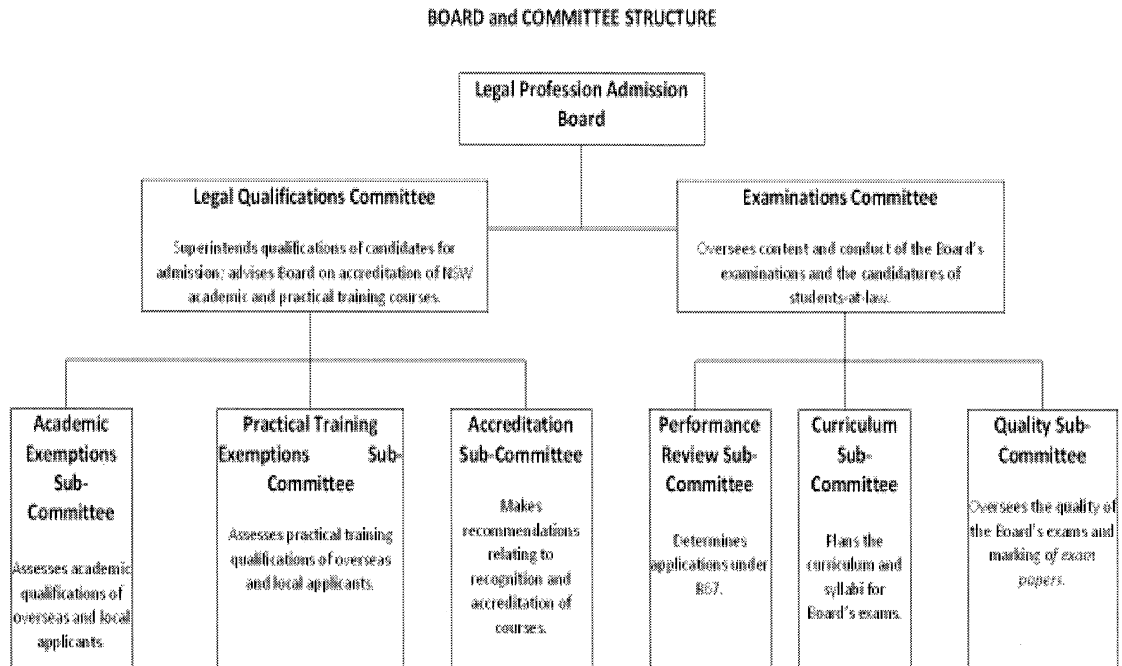
Board and Committee Structure

The functions of the Board include making decisions about the eligibility and suitability of applicants for admission as lawyers and appointment of public notaries, assessing the qualifications of overseas applicants, accreditation of academic and practical legal training courses in NSW and operation of the Board's *Diploma in Law* Course. The Board, with advice from its Legal Qualifications Committee, has made significant contribution, including commentaries to the draft legislation and rules to the ongoing reforms for assessment of qualifications of overseas applicants and to the national reform legislative framework. The Board also facilitated the development of uniform disclosure guidelines for applicants for admission as lawyers, by initiating and providing expert advice on proposals put forward by LACC.

The Executive Officer and LPAB staff provides secretariat and administrative support to the Board, its Committees and Sub-Committees in the exercise of their functions.

The Board and its Committee structure is represented in the diagram below.

Board and Committee Structure Chart



Legal Qualifications Committee

The Legal Qualifications Committee (LQC) is constituted pursuant to rule 15 of the *Legal Profession Admission Rules 2005* to superintend the qualification of candidates for admission and to advise the Board in relation to the accreditation of academic and practical legal training courses.

The membership of the Legal Qualifications Committee and its Sub-Committees during 2012/2013 is set out below.

Members of the Legal Qualifications Committee

The Honourable Justice Davies
 The Honourable Justice Adamson
 The Honourable Justice Hallen
 Mr John Fernon SC
 Ms Susan Leis
 Ms Elizabeth Picker
 Ms Mary Macken
 Mr Stuart Westgarth
 Mr Charles Cawley
 Mr Greg Ross
 Ms Jenny Eggleton
 Ms Carolyn Penfold
 Professor Peter Radan
 Dr Gordon Elkington
 Mr Peter Underwood
 Secretariat: Ms Robin Szabo

Academic Exemptions Sub-Committee

The Honourable Justice Hallen
Dr Gordon Elkington
Mr Peter Underwood
Secretariat: Ms Monika Bhattacharya

Practical Training Exemptions Sub-Committee

Mr Greg Ross
Ms Elizabeth Picker
Ms Jenny Eggleton
Secretariat: Ms Monika Bhattacharya

Accreditation Sub-Committee

Mr Charles Cawley
Ms Jenny Eggleton
Ms Carolyn Penfold
Secretariat: Ms Louise Pritchard

During 2012/2013 the LQC met seven times and performed the tasks allocated to it under the Board's Rules. The Committee and its Sub-Committees have regard to the Uniform Principles in exercising their functions under Rules 97 and 98 of the Legal Profession Admission Rules 2005 to assess applicants from overseas who seek entry to the legal profession in Australia. The Committee works closely with the Board to resolve issues that arise and in particular makes recommendations on changes or procedures proposed by the Law Admissions Consultative Committee (LACC). It has also provided preliminary advice to LACC and suggested changes that have now been adopted. The Committee performs its work largely through its sub-committees and reviews sub-committee decisions at the request of aggrieved applicants. In addition to requests for review and extensions of the period of validity of academic and practical training exemptions, it considers applications from students-at-law who seek approval under rule 97(9) to apply for exemptions on the basis of studies undertaken elsewhere after registration as a student-at-law with the Board. The expertise and assistance of sub-committee members is often sought by other Australian Admitting Authorities. Advice and assistance provided to Board staff is also appreciated and acknowledged.

During 2012/2013 the LQC and its Sub-Committees made recommendations to the Board on a number of LACC proposals including the duration of legal studies and interpretation of the "equivalent of 3 years full-time study of law" which continues to generate ongoing discussion. The Committee provided advice to the Board about the practice of some Australian law schools to grant academic credit for academic courses completed in overseas institutions referred to as "twinning arrangements. Recommendations were also made about LACC proposals not to assess the qualifications of UK and Irish applicants who had completed the Common Professional Examination (CPE) or Graduate Diploma in Law (GDL) but had not proceeded to admission in their jurisdiction and another to permit UK and Irish applicants who have completed a Legal Practice Course (LPC) or the Bar Professional Training Course (BPTC) or equivalent but who have not been admitted to apply for practical legal training exemptions

The Committee has also assisted the Board by reviewing and providing comment on the National Competency Standards for Entry-Level Lawyers, proposed Standards

for PLT Courses and Providers, which were developed by the Victorian Council of Legal Education, to bring about a uniform approach to reviewing courses and providers and the teaching of Statutory Interpretation as a separate, compulsory subject in Australian law degrees.

The Tertiary Education Quality and Standards Agency (TEQSA) wrote to the Board in November 2012 and requested that the Board nominate representatives as expert advisors to assist TEQSA with assessing an application for accreditation. The Board approached Committee Members Dr Elkington and Mr Underwood, who agreed to be those advisors.

In February 2013 Dr Elkington proposed amendments to the Legal Profession Admission Rules 2005 (LPAR) to bring the Diploma-in-Law course into closer alignment with the Priestley 11 requirements. The Board adopted the proposal in principle and asked Dr Elkington to draft rule amendments in line with his proposal.

Due to the relatively large number of new members appointed to the Committee in July 2012, the Chairperson, Justice Davies requested that the Committee's most common policies and practices, used when assessing applications for review of decisions of the sub-committees, be collated and included in each agenda as a reference in order that the meetings run as efficiently as possible. The document "Guidelines when assessing review applications and miscellaneous applications" was created and is now a regular item in the agendas.

The Accreditation Sub-Committee met in August 2012, when all existing law degrees and practical training courses were accredited under Rules 44 and 45(B) respectively. The University of Western Sydney and University of Wollongong advised that its practical training courses would not be offered after January 2013 and 30 June 2013, respectively.

Examinations Committee

The Examinations Committee is constituted pursuant to rule 27 of the *Legal Profession Admission Rules 2005* to oversee the content and conduct of the Legal Profession Admission Board's (the Board) examinations and the candidatures of students-at-law enrolled in the *Diploma in Law* Course. The Committee for this purpose works closely with the Law Extension Committee (LEC) of the University of Sydney.

The Examinations Committee has just completed its tenth year of operation. The membership of the Examinations Committee and its Sub-Committees during 2012/2013 are set out below.

Members of the Examinations Committee

The Honourable Justice Simpson (Chairperson)

The Honourable Justice Hall

Mr Michael Christie SC

Mr John Dobson

Mr Frank Astill

Mr Ross Anderson

Ms Susan Carter

Secretariat: Ms Robin Szabo (assisted by Ms Angela Stevens)

Curriculum Sub-Committee

Mr Michael Christie SC
Mr Ross Anderson
Mr Frank Astill
Secretariat: Ms Robin Szabo

Performance Review Sub-Committee

The Honourable Justice Hall (Chairperson)
Mr Frank Astill
Mr John Dobson
Secretariat: Ms Robin Szabo

Quality Sub-Committee

Mr Frank Astill
Mr Ross Anderson
Ms Susan Carter
Secretariat: Ms Robin Szabo

During 2012/2013, the Examinations Committee proceeded with course-related tasks, including appointing Examiners, determining applications and reviewing Sub-Committee determinations. With Members' agreement, several of the Committee's meetings this year were held electronically. An overview of some of the major issues attended to by the Examinations Committee over the year is discussed below.

Due to flooding some disruption was caused at the Sydney examination venue last year. To ensure a process is in place to address any future unexpected events, a proposed Contingency Policy was approved by the Committee and referred to the Board.

On 13 July 2012 The Hon Justice Allsop gave the occasional address at the Board's Diploma in Law Graduation Ceremony at the University of Sydney's Great Hall.

On 27 July 2012 the Board wrote to the Chief Commissioner of the Tertiary Education Quality and Standards Agency (TEQSA) providing contentions why the NSW LPAB does not fall within the definition of a "regulated entity" as defined in the TEQSA Act. TEQSA advised the Board by letter dated 14 September 2012 of its determination that the NSW LPAB is not a regulated entity for the purposes of the TEQSA Act. The Committee was kept apprised of ongoing research and consultation into the impact of the Tertiary Education Quality and Standards Act 2011 (Cth) on the Board's Diploma in Law course.

The Committee endorsed a proposal to make the elective subject of Understanding Legal Language and Legislation a compulsory subject. The Board adopted the proposal, which reduces the number of elective subjects to two so that the total subject requirement for the Board's course would remain at twenty. The Director, Law Extension Committee (LEC), is in the process of working with the Executive Officer of the Board in finalising implementation and transitional issues. The Director, LEC, was invited to attend the Board meeting of 4 February 2013 to discuss the failure rates in some of the Board's courses. The Board resolved to continue to monitor the rates and to support the LEC's recommendations to initiate certain changes. The Committee also approved of a delegation to the Director, LEC and Executive Officer of the Board, of its power to appoint existing Examiners and Revising Examiners.

The power to appoint new Examiners and Revising Examiners remains with the Committee. It also refined the Policy for providing Achievement letters to the Board's students to enable the top five students who achieve the highest marks in a subject to receive achievement letters and endorsed an amendment to the entry criteria into the Board's course. The Committee endorsed a recommendation to place a disclaimer, issued by the Board, inside the Graduation Booklet, of filming of awardees and guests at the Graduation Ceremony.

For the first time, the LEC and LPAB represented at the "Sydney CBD Schools Careers Expo" which was held at St Andrews Cathedral, Sydney and targeted school leavers. The LPAB and LEC also participated in the Reinvent your Career Expo which is held in September of each year. The Board's Diploma-in-Law Orientation Day for new students was held at the University of Sydney's St James Campus on 10 May 2013. The Presiding Member, Justice Slattery gave a welcome address to the new students and the Executive Officer and Director LEC delivered informative presentations to guide students through their candidature in the course.

An unprecedented allegation of non-academic misconduct came before the Committee involving a student-at-law who had completed his course requirements but had not yet received his Diploma. The matter was referred to the Board and it resolved to note the incident and consider the matter as a disclosure, if and when the student seeks admission as a lawyer. Incidences of academic misconduct that arose during the examination process included inappropriate communications with the Examiner following the exam, and multiple incidents of alleged plagiarism. The plagiarism allegations resulted in the remarking of the papers based on their merits, but did present as an issue for Examiners who requested guidance from the Committee as to methods of dealing with this type of academic misconduct.

REVIEW OF OPERATIONS

Admission of Lawyers

To be admitted as a lawyer to the Supreme Court of New South Wales, a person must be eligible and suitable for admission. To be eligible, a person must satisfy academic and practical training requirements. An applicant who does not meet the criteria for exemption will also be required to demonstrate English language proficiency. To be suitable, a person must be considered to be fit and proper to be admitted. The Board advises the Supreme Court that it considers a person eligible and fit and proper by means of a compliance certificate. Board staff perform all of the administrative tasks associated with the organisation and conduct of Admission Ceremonies that are held in the Banco Court of the Supreme Court of New South Wales. The requirements for admission are outlined in rules 95 and 96 of the *Legal Profession Admission Rules 2005*. The table below shows the number of admissions in 2012/2013. Figures for the 2011/2012 financial year appear in brackets.

Admissions	Total Admitted 2012/2013
Local (qualifications obtained wholly or partly in Australia)	2017 (1778)
Overseas (admitted outside Australia or New Zealand)	98 (86)
Total	2115 (1864)

Mutual Recognition

Admissions under Mutual Recognition Acts are not included. In 2012/2013, there were 62 (95) New Zealand legal practitioners who were admitted to the Supreme Court of New South Wales under the *Trans Tasman Mutual Recognition Act 1997*. The court provides the Board with copies of the orders for entry to the Roll of Lawyers. Mutual recognition applications from Australian States and Territories have all but ceased, following the enactment of legislation that allows recognition of interstate practising certificates in all jurisdictions except South Australia.

Academic and Practical Legal Training exemptions

The Board receives applications from persons who seek exemption from some or all of the Board's examinations on the basis of studies completed at recognised universities in an Australian State or Territory or overseas. It also receives requests from eligible applicants who seek exemption from some or all of the practical legal training (PLT) competencies. The Legal Qualifications Committee and its Sub-Committees review the applications for exemptions, requests for review and other miscellaneous applications. Applications are being received from an increasingly diverse range of countries including non-English speaking countries such as Bolivia, Botswana, Belgium, Brazil, Columbia, Egypt, Ethiopia, Finland, Germany, Greece, Iran, Jordan, Romania, Namibia, Nigeria, Pakistan, Poland, Portugal, Peru, Russia and Ukraine.

Operation	2012/13
Number of Academic Exemptions processed	407 (454)
Number of applications for academic exemption assessed within 4-6 weeks of receipt. Many applications are processed in much shorter timeframes depending on the work on hand of the sub-committee. Some applications are assessed and advice sent in 1 week.	*97% (93%)
Number of PLT exemptions granted	106 (123)

Diploma in Law Course

The *Diploma in Law* Course is an attractive alternative to a degree from university because it offers an affordable and flexible means of studying law. People who seek admission to the Board's course must apply for registration as a student-at-law to be eligible to enrol. Under the Board's rules, a student-at-law who enrolls for the Board's examinations must also enrol in the corresponding course of instruction conducted by the University of Sydney's Law Extension Committee (LEC). The LEC was established by the Senate of the University of Sydney in 1964 for such a purpose.

The LPAB works closely with the LEC in the administration of the *Diploma in Law* Course. The LEC provides tuition in the 26 subjects that comprise the Diploma in Law curriculum and students must complete 17 compulsory and 3 elective subjects.

The *Diploma in Law* Course has two enrolment intakes each year. Enrolments are usually held in the last week of October and April for the sessions with lectures commencing in November and May with examinations in the first week of March and September. Deadlines for applications for registration for intending students-in-law who seek to enrol in the November and May sessions are 1 September and 1 March respectively. Orientation weekends are held immediately prior to the commencement of semester.

Operation	2012/13
Applications for registration of new Students-at Law	570
Total number of student enrolments	5003

Operation	2012/13
Total number of Students awarded Diploma in Law	148 (144)
Term 2 2012	72 (69)
Term 1 2013	76 (75)

Examination Assessment

A hallmark of the *Diploma in Law* Course has been the requirement to pass an exam worth 100% of assessment. Recent changes approved by the Examinations Committee and adopted by the Board, now allow each subject to include an assignment component worth 20% of the final mark and the exam 80%. The new assessment structure does not change the eligibility requirements under the Board's Rules for sitting an exam, as students must still satisfactorily complete the requirements of the course in order to sit for the examination in that subject. The change has been closely monitored and does not appear to have had any significant impact to the overall examination results.

The scheduled examination locations include Sydney, Parramatta, Albury, Armidale, Broken Hill, Canberra, Dubbo, Lismore and Newcastle.

Semester	No. of enrolments	No. of exams sat	No. of students
2012 – Semester 2	2487 (2410)	2081 (2059)	1290 (1275)
2013 – Semester 1	2516 (2535)	2118 (2099)	1306 (1319)

Registration of Public Notaries

The LPAB administers the appointment of Public Notaries in NSW. The Executive Officer of the LPAB is the Registrar of Public Notaries and maintains the Roll of Public Notaries. Public Notaries are appointed by the Supreme Court of New South Wales pursuant to the Public Notaries Act 1997 and the *Public Notaries Appointment Rules 1998*. In exercising its functions, the Board may consult with The Society of Notaries of New South Wales Incorporated. A public notary deals with non-contentious matters usually concerned with documentation required by a client for use overseas. Common tasks involve estates, deeds, powers-of-attorney, and foreign and international business. Registration and appointment of Public Notaries occurs biannually. The Board is currently in the process of drafting reforms to the Act and Rules in response to issues raised by Public Notaries and the Society of Notaries of NSW Inc.

Operation	2012/2013
Appointment of Public Notaries	49 (65)
Total number registered	890 (844)

Publications 2012-13

The LPAB ensures that it maintains clear and relevant information in hardcopy and on its website. The following are the current publications.

Publication	Description
A Pathway to Legal Practice Brochure	An Information Brochure on the LPAB Diploma in Law Course
Board Calendar 2013	The Board's Calendar of yearly events i.e. admission ceremonies and closing dates, student registration and enrolment deadlines, examination results publication dates and various Committee agenda deadlines and meeting dates
Diploma in Law Course information Handbook	Course information handbook published each semester
Examination Papers	Examination papers for the past 3 semesters

APPENDIX A – INTERNAL AUDIT AND RISK STATEMENT
Internal Audit and Risk Management Statement

Shared Arrangement - No Exceptions

**Internal Audit and Risk Management Statement for the 2013-2014
Financial Year for Legal Profession Admission Board**

In the case of compliance in shared arrangements with no exceptions use the following:

I, Robin Szabo, Executive Officer on behalf of the Legal Profession Admission Board am of the opinion that the Legal Profession Admission Board has internal audit and risk management processes in operation that are, in all material respects, compliant with the core requirements set out in Treasury Circular NSW TC 09/08 Internal Audit and Risk Management Policy.

I, Robin Szabo, Executive Officer on behalf of the Legal Profession Admission Board am of the opinion that the Audit and Risk Committee is constituted and operates in accordance with the independence and governance requirements of Treasury Circular NSW TC 09/08. The Chair and Members of the Audit and Risk Committee are:

- Independent Chair, Brian Suttor, May 2013, May 2017
- Independent Member 1, Paul Crombie, May 2013, May 2017
- Independent Member 2, Ian Neale, May 2013, May 2016
- Independent Member 3, Joan Wilcox, May 2013, May 2017
- Independent Member 4, Arthur Butler, May 2013, May 2016

This Audit and Risk Committee has been established under a Treasury approved shared arrangement with the following departments/statutory bodies:

- Department of Attorney General & Justice (Principal Department)
- Legal Profession Admission Board

These processes provide a level of assurance that enables the senior management of the Legal Profession Admission Board to understand, manage and satisfactorily control risk exposures.

As required by the policy, I have submitted an Attestation Statement outlining compliance with the policy to Treasury on behalf of the Treasurer.

Department Head or in accordance with a resolution of the Governing Board of the Statutory Body

Robin Szabo 10/7/13

APPENDIX B – ABBREVIATIONS

AALAA	Administrators of Australasian Law Admitting Authorities
DAGJ	Department of Attorney General and Justice
EC	Examinations Committee
LACC	Law Admissions Consultative Committee
LEC	Law Extension Committee
LPAB	Legal Profession Admission Board
LQC	Legal Qualifications Committee
PLT	Practical Legal Training
TEQSA	Tertiary Education Quality and Standards Agency

APPENDIX C-AUDITED FINANCIAL STATEMENTS-2012/2013

LEGAL PROFESSION ADMISSION BOARD

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

STATEMENT BY MEMBERS OF THE BOARD

Pursuant to Section 41C of the Public Finance and Audit Act, 1983 and in accordance with a resolution of the members of the Legal Profession Admission Board, we declare on behalf of the Board that in our opinion:

1. The accompanying financial statements exhibit a true and fair view of the financial position of the Legal Profession Admission Board as at 30 June 2013 and transactions for the year then ended.
2. The financial statements have been prepared in accordance with the provisions of the Public Finance and Audit Act, 1983, the Public Finance and Audit Regulation 2010 and the Treasurer's Directions.

Further we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

Dated: 28th October 2013


Board Member


Board Member



INDEPENDENT AUDITOR'S REPORT

Legal Profession Admission Board

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the Legal Profession Admission Board (the Board), which comprise the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Board as at 30 June 2013 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010

My opinion should be read in conjunction with the rest of this report.

The Board's Responsibility for the Financial Statements

The members of the Board are responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act and for such internal control as the members of the Board determine is necessary to enable the preparation of financial statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that I 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 Board's preparation of the financial statements that give a true and fair view in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the members of the Board, as well as evaluating the overall presentation of the financial statements.

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

My opinion does *not* provide assurance:

- about the future viability of the Board
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information which may have been hyperlinked to/from the financial statements

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.



Jack Kheir
Director, Financial Audit Services

29 October 2013
SYDNEY

LEGAL PROFESSION ADMISSION BOARD

Financial Statements

for the year ended 30 June 2013

LEGAL PROFESSION ADMISSION BOARD

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2013

	Notes	2013 \$	2012 \$
Expenses			
Operating Expenses			
Personnel services expenses	10	(890,093)	(1,793,501)
Other operating expenses	11	(536,483)	(538,986)
Finance costs		(19,447)	(41,440)
Depreciation and amortisation	5&6	(152,561)	(184,959)
Total Expenses Excluding Losses		(1,598,584)	(2,558,887)
Revenue			
Registration		120,800	111,450
Examination		798,380	736,200
Admission		936,930	786,420
Academic Exemption		87,980	88,000
Other revenue		217,106	219,708
Interest		72,718	83,663
Rent		25,330	27,810
Total Revenue		2,259,245	2,053,251
Other Gains/(Losses)	12	0	0
Net Result		660,661	(505,636)
Other Comprehensive Income			
<i>Items that will not be reclassified to Net Result</i>			
Increase in property, plant and equipment		52,898	0
TOTAL COMPREHENSIVE INCOME		713,559	(505,636)

The accompanying notes form part of these financial statements.

LEGAL PROFESSION ADMISSION BOARD

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013

	Notes	Actual 2013 \$	Actual 2012 \$
ASSETS			
Current Assets			
Cash and cash equivalents	2	2,501,061	2,229,036
Other financial assets	3	567,261	547,117
Receivables	4	428,875	452,828
Total Current Assets		<u>3,497,197</u>	<u>3,228,982</u>
Non-Current Assets			
Property, Plant and Equipment			
Land & Building	5	2,359,224	2,343,929
Plant & Equipment	5	46,243	68,558
Total Property, Plant and Equipment	5	<u>2,405,467</u>	<u>2,412,487</u>
Intangible asset	6	134,055	225,351
Receivables-Personnel Services	4	13,619	0
Total Non-Current Assets		<u>2,553,141</u>	<u>2,637,838</u>
Total Assets		<u>6,050,338</u>	<u>5,866,820</u>
LIABILITIES			
Current Liabilities			
Payables	8	1,785,003	1,748,376
Provisions - Personnel Services	7	390,459	457,462
Total Current Liabilities		<u>2,175,462</u>	<u>2,205,838</u>
Non-Current Liabilities			
Long Term Borrowings	9b	400,000	600,000
Provisions - Personnel Services	9a	660,295	959,960
Total Non-Current Liabilities		<u>1,060,295</u>	<u>1,559,960</u>
Total Liabilities		<u>3,235,757</u>	<u>3,765,798</u>
Net Assets		<u>2,814,581</u>	<u>2,101,022</u>
EQUITY			
Accumulated funds		2,761,683	2,101,022
Asset Revaluation Reserve		52,898	0
Total Equity		<u>2,814,581</u>	<u>2,101,022</u>

The accompanying notes form part of these financial statements.

LEGAL PROFESSION ADMISSION BOARD

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2013

Notes	Accumulated Funds \$	Asset Revaluation Reserve \$	Total \$
Balance as at 1 July 2012	<u>2,101,022</u>	<u>0</u>	<u>2,101,022</u>
Net result for the year	<u>660,661</u>	<u>0</u>	<u>660,661</u>
Other Comprehensive Income			
Net increase/(decrease) in property, plant and equipment	<u>0</u>	<u>52,898</u>	<u>52,898</u>
Total Other Comprehensive Income	<u>0</u>	<u>52,898</u>	<u>52,898</u>
Total Comprehensive Income for the year	<u>660,661</u>	<u>52,898</u>	<u>713,559</u>
Balance as at 30 June 2013	<u>2,761,683</u>	<u>52,898</u>	<u>2,814,581</u>
Balance as at 1 July 2011	<u>2,606,658</u>	<u>0</u>	<u>2,606,658</u>
Net result for the year	<u>(505,636)</u>	<u>0</u>	<u>(505,636)</u>
Other Comprehensive Income			
Net increase/(decrease) in property, plant and equipment	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Comprehensive Income	<u>0</u>	<u>0</u>	<u>0</u>
Total Comprehensive Income for the year	<u>(505,636)</u>	<u>0</u>	<u>(505,636)</u>
Balance as at 30 June 2012	<u>2,101,022</u>	<u>0</u>	<u>2,101,022</u>

The accompanying notes form part of these financial statements.

LEGAL PROFESSION ADMISSION BOARD

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2013

	Notes	2013	2012
		\$	\$
CASH FLOW FROM OPERATING ACTIVITIES			
Payments			
Personnel services expense		(1,292,956)	(1,172,227)
Advanced Fees/Tuition Fees		(1,143,751)	(531,064)
Interest paid		<u>(19,447)</u>	<u>(41,440)</u>
Total Payments		<u>(2,456,153)</u>	<u>(1,744,731)</u>
Receipts			
Registration		120,800	111,450
Admission		936,930	786,420
Academic Exemption		87,980	88,000
Interest Received		72,718	83,663
Examination		835,907	749,340
Other		895,334	255,723
Advanced Fees/Tuition Fees		0	92,341
Total Receipts		<u>2,949,669</u>	<u>2,166,937</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	13	<u>493,516</u>	<u>422,206</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of Property, Intangibles & Plant and Equipment		(1,347)	(8,279)
Purchase of Investments		<u>(20,143)</u>	<u>(25,366)</u>
NET CASH FROM INVESTING ACTIVITIES		<u>(21,490)</u>	<u>(33,645)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of Borrowings and Advances		<u>(200,000)</u>	<u>(200,000)</u>
NET CASH FLOWS FROM FINANCING ACTIVITIES		<u>(200,000)</u>	<u>(200,000)</u>
NET INCREASE/(DECREASE) IN CASH		272,025	188,562
Opening Cash and Cash equivalents		<u>2,229,036</u>	<u>2,040,474</u>
CLOSING CASH AND CASH EQUIVALENTS	2	<u>2,501,061</u>	<u>2,229,036</u>

The accompanying notes form part of these financial statements.

LEGAL PROFESSION ADMISSION BOARD
Notes to and forming part of the financial statements
For the Year ended 30 June 2013

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

The Legal Profession Admission Board (the Board) is constituted under Part 7.1 of the Legal Profession Act 2004. Its role involves the examination of Students-at-Law, the approval of properly qualified persons for Admission as Lawyers and the approval of properly qualified persons for Appointment as Public Notaries.

The Board is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units.

(b) Basis of Preparation

The Board's financial statements are general purpose financial statements which have been prepared in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the requirements of the *Public Finance and Audit Act 1983 and Regulation*, the Financial Reporting Directions published in the Code for Budget Dependent General Government Sector Agencies or issued by the NSW Treasurer and the Treasurer's Directions.

Property, plant and equipment and TCorp Hour Glass Facilities are measured at fair value.

Judgements, key assumptions and estimations that management has made, are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest dollar and are expressed in Australian currency.

(c) Statement of Compliance

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

(d) Other Financial Assets

Other financial assets are measured at fair value and TCorp Hour-Glass Facilities are designated through the Statement of Comprehensive Income.

(e) Property, Plant & Equipment

(i) Acquisition of Assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Board. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to the asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognized at their fair value at the date of acquisition.

Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

LEGAL PROFESSION ADMISSION BOARD
Notes to and forming part of the financial statements
For the Year ended 30 June 2013

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. deferred payment amount is effectively discounted at an asset-specific rate.

(ii) Capitalisation Threshold

Property, plant and equipment and intangible assets costing \$3,000 and above individually (or forming part of an network costing more than \$3,000) are capitalised.

(iii) Revaluation of Property, Plant and Equipment

Physical non-current assets are valued in accordance with the "Valuation of Physical Non-Current Assets at Fair Value" Policy and Guidelines Paper (TPP 07-1). This policy adopts fair value in accordance with AASB 116 *Property, Plant and Equipment*.

Property, plant and equipment are measured on an existing use basis, where there are no feasible alternative uses in the existing natural, legal, financial and socio-political environment. However, in the limited circumstances where there are feasible alternative uses, assets are valued at their highest and best use.

Fair value of property, plant and equipment is determined based on the best available market evidence, including current market selling prices for the same or similar assets. Where there is no available market evidence, the asset's fair value is measured at its market buying price, the best indicator of which is depreciated replacement cost.

The Board revalues each class of property, plant and equipment at least every five years or with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. The last comprehensive revaluation was completed on 30 June 2011 and was based on an independent assessment. An independent desk top review was undertaken as at 30 June 2013, resulting in a revaluation increase of the property by 2.2%.

When revaluing non-current assets by reference to current prices for assets newer than those being revalued (adjusted to reflect the present condition of the assets), the gross amount and the related accumulated depreciation are separately restated.

For other assets, any balance of accumulated depreciation at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the Net Result, the increment is recognised immediately as revenue in the Net Result.

Revaluation decrements are recognised immediately as expenses in the surplus/deficit, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the asset revaluation reserve.

As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

LEGAL PROFESSION ADMISSION BOARD
Notes to and forming part of the financial statements
For the Year ended 30 June 2013

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont.

Where an asset that has previously been revalued is disposed of, any balance remaining in the asset revaluation reserve in respect of that asset is transferred to accumulated funds.

(iv) Impairment of Property, Plant and Equipment

As a not-for-profit entity with no cash generating units, the Board is effectively exempted from AASB 136 *Impairment of Assets* and impairment testing. This is because AASB 136 "Impairment of assets" modifies the recoverable amount test to the higher of fair value less costs to sell and depreciated replacement cost. This means that, for an asset already measured at fair value, impairment can only arise if selling costs are material. Selling costs are regarded as immaterial.

(f) *Depreciation/Amortisation of Property, Plant and Equipment & Intangible Assets*

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Board.

All material separately identifiable components of assets are depreciated over their shorter useful lives. Land is not a depreciable asset.

The depreciation/amortization rates used for each class of assets are as follows:

Building at valuation	2%
Computer Equipment, Voice & data Communications	25%
Computer Equipment, Voice & data Communications acquired after 1 July 2012	20%
Desktop PC's	20%
Office Equipment	20%
Furniture & Fittings	10%
Intangible assets	
Software	25%
Software acquired after 1 July 2012	20%
Software - Major Projects	10%

(g) *Maintenance*

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a component of an asset, in which case the costs are capitalised and depreciated.

(h) *Intangible Assets*

The Board recognises intangible assets only if it is probable that future economic benefits will flow to the Board and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition.

All research costs are expensed. Development costs are only capitalised when certain criteria are met.

The useful lives of intangible assets are assessed to be finite.

Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the Board's intangible assets, the assets are carried at cost less any accumulated amortisation.

The Board's intangible assets are amortised using the straight-line method over a period from four to ten years.

LEGAL PROFESSION ADMISSION BOARD
Notes to and forming part of the financial statements
For the Year ended 30 June 2013

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont.

In general, intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.

(i) Payables

These amounts represent liabilities for goods and services provided to the Board and other amounts, including interest. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(j) Accounting for the Goods and Services Tax (GST)

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

The amount of GST incurred by the agency as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or part of an item of expenses; and

Receivables and payables are stated with the amount of GST included.

Cash flows are recognised on a gross basis in the Statement of cash flows. However, the GST components of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

(k) Personnel Services

The Department of Attorney General and Justice (DAGJ) provides employees to the Board to enable it to carry out its functions. The expense and liabilities due to DAGJ are classified as "Personnel Services" in the Statement of Comprehensive Income and the Statement of Financial Position respectively, and are calculated by DAGJ using the following recognition and measurement criteria:

- (i) Salaries and wages (including non-monetary benefits), annual leave and paid sick leave that fall due wholly within 12 months of the reporting date – recognised as short-term employee benefits and measured at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.
- (ii) Long-term annual leave that is not expected to be taken within twelve months – the nominal method has been used as this is not materially different from the present value method as required by AASB 119 *Employee Benefits*.
- (iii) Unused non-vesting sick leave – not recognised, as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.
- (iv) On-costs, such as payroll tax, workers' compensation insurance premiums and fringe benefits tax, which are consequential to employment – recognized as liabilities and expenses where the employee benefits to which they relate have been recognised.

LEGAL PROFESSION ADMISSION BOARD
Notes to and forming part of the financial statements
For the Year ended 30 June 2013

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont.

- (v) Long Service Leave Liability comprises the Legal Admission Profession Board's liability to the Department of Attorney General and Justice for costs arising from personnel services rendered by the Department of Attorney General and Justice to balance date. This also includes superannuation for personnel services provided by the Department of Attorney General and Justice. Costs payable within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.
- (vi) Superannuation – The expense for certain superannuation schemes (Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions. Defined benefit superannuation obligations are as determined by Pillar Administration.

(l) Other Provisions

Other Provisions exist when: the Board has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle an obligation; and a reliable estimate can be made of the amount of the obligation.

(m) Borrowings

Loans are not held for trading or designated at fair value through profit of loss and are recognised at amortised cost using the effective interest rate method. Gains or losses are recognised in the net result for the year on derecognition.

The Board has borrowed funds from NSW Treasury Corporation for the purchase of the premises at Level 4, 37 Bligh Street, Sydney (Refer to Note 9 (b))

(n) Income Recognition

Sales Revenue

Sales Revenue comprises revenue earned from the provision of services to clients and other entities. Sales revenue to clients is generally recognised upon receipt of applications for admission as a lawyer, registration of students at law and other services. The University of Sydney sets a Tuition Fee for its tuition-related services. For reasons of economy and convenience, the Board collects the Tuition Fees (on behalf of University of Sydney) as well as the Examination Fees (this part is LPAB's revenue). The Board remits the whole of the Tuition Fees to the University of Sydney at least twice a year. Therefore, the tuition fees LPAB collected will not be treated as its revenue, it will be held in LPAB's Sundry Creditors account until the time of remitting to University of Sydney.

Rental Revenue

Rental revenue is recognised in accordance with AASB 117 Leases on a straight-line basis over the lease term.

Investment Revenue

Interest income is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

Other Revenue

Other revenue comprises income received from non-core activities and is recognised when the fee in respect of these activities is receivable.

LEGAL PROFESSION ADMISSION BOARD
Notes to and forming part of the financial statements
For the Year ended 30 June 2013

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont.

(o) Impairment of Financial Assets

All financial assets are subject to an annual review for impairment. An allowance for impairment is established when there is objective evidence that the entity will not be able to collect all amounts due.

Any reversals of impairment losses are reversed through the Net Result for the year, where there is objective evidence. Reversal of impairment losses of financial assets carried at amortised cost cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

(p) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(q) New Australian Accounting Standards issued but not effective

The following relevant Accounting Standards have not been applied and are not yet effective as per NSW Treasury Circular NSW TC 13/02:

- * AASB 9, AASB 2010-7 and AASB 2012-6 regarding Financial Instruments
- * AASB 13, AASB 2011-8 and AASB 2012-1 regarding fair value measurement
- * AASB 119, AASB 2011-10 and AASB 2011-11 regarding employee benefits
- * AASB 2011-9 regarding presentation of items of other comprehensive income
- * AASB 2012-2 regarding disclosures - offsetting financial assets and financial liabilities
- * AASB 2012-3 regarding offsetting financial assets and financial liabilities
- * AASB 2012-4 regarding government loans - first time adoption

The Board has assessed the impact of the new standards and interpretations on issue but not effective and considers the impact to be insignificant.

Other recently issued or amended standards are not expected to have a material impact on the entity. The Board expects the adoption of these standards in future periods to not materially impact the financial statements.

LEGAL PROFESSION ADMISSION BOARD
Notes to and forming part of the financial statements
For the Year ended 30 June 2013

2 CURRENT ASSETS - CASH AND CASH EQUIVALENTS

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash at bank and cash on hand. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2013	2012
	\$	\$
Cash at bank	2,500,561	2,228,536
Cash on hand	500	500
Closing Cash	<u><u>2,501,061</u></u>	<u><u>2,229,036</u></u>

Refer to Note 14, for details regarding credit risk, liquidity risk and market risk arising from Financial Instruments.

3 CURRENT ASSETS - OTHER FINANCIAL ASSETS

	2013	2012
	\$	\$
TCorp Hour Glass-Cash Facility Investment	567,261	547,117
Total	<u><u>567,261</u></u>	<u><u>547,117</u></u>

Refer to Note 14, for details regarding credit risk, liquidity risk and market risk arising from Financial Instruments.

4 CURRENT/NON-CURRENT ASSETS - RECEIVABLES

Current

	2013	2012
	\$	\$
Prepayments	0	9,721
Debtors	0	26,160
Personnel Services - (a)	306,000	287,000
GST Receivables	122,875	122,981
Department of Attorney General and Justice - (b)	0	6,965
Total	<u><u>428,875</u></u>	<u><u>452,828</u></u>

(a). The Board's Long Service Leave liability is included in Provisions - Personnel Services, and then offset by a corresponding asset which is included in Receivables.

(b). All related expenditure and revenue, with the exception of payments to some casual examination staff and other temporary staff employed by the Board, are initially paid/received by the Department of Attorney General and Justice, which then seeks settlement from the Board.

Non-Current

	2013	2012
	\$	\$
Personnel Services - Prepaid Superannuation	13,619	0
Total	<u><u>13,619</u></u>	<u><u>0</u></u>

Refer to Note 14, for details regarding credit risk, liquidity risk and market risk arising from Financial Instruments.

LEGAL PROFESSION ADMISSION BOARD
Notes to and forming part of the financial statements
For the Year ended 30 June 2013

5

NON-CURRENT ASSET - PROPERTY, PLANT AND EQUIPMENT

	<i>Computer Equipment</i>	<i>Office Equipment</i>	<i>Furniture & Fittings</i>	<i>Total Plant & Equipment</i>	<i>Property</i>	<i>Total Property, Plant & Equipment</i>
	\$	\$	\$	\$	\$	\$
At 1 July 2012 - fair value						
Gross carrying amount	56,011	38,328	177,489	271,828	2,416,050	2,687,878
Accumulated depreciation and impairment	(39,540)	(38,066)	(125,665)	(203,270)	(72,121)	(275,391)
Net carrying amount	<u>16,471</u>	<u>263</u>	<u>51,824</u>	<u>68,558</u>	<u>2,343,929</u>	<u>2,412,487</u>
At 30 June 2013 - fair value						
Gross carrying amount	57,358	38,328	177,489	273,175	2,367,114	2,640,289
Accumulated depreciation and impairment	(45,136)	(38,156)	(143,642)	(226,933)	(7,890)	(234,823)
Net carrying amount	<u>12,223</u>	<u>173</u>	<u>33,847</u>	<u>46,243</u>	<u>2,359,224</u>	<u>2,405,467</u>

Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting period is set

	<i>Computer Equipment</i>	<i>Office Equipment</i>	<i>Furniture & Fittings</i>	<i>Total Plant & Equipment</i>	<i>Property</i>	<i>Total Property, Plant & Equipment</i>
	\$	\$	\$	\$	\$	\$
Year ended 30 June 2013						
Net carrying amount at start of the year	16,471	263	51,824	68,558	2,343,929	2,412,487
Additions	1,347	-	-	1,347	-	1,347
Disposals	-	-	-	0	-	0
Net revaluation increment less revaluation decrements	-	-	-	-	52,898	52,898
Depreciation expense	(5,596)	(90)	(17,976)	(23,662)	(37,603)	(61,265)
Writeback on accumulated depreciation on disposals	-	-	-	0	-	0
Net carrying amount at end of the year	<u>12,222</u>	<u>173</u>	<u>33,847</u>	<u>46,242</u>	<u>2,359,224</u>	<u>2,405,466</u>

	<i>Computer Equipment</i>	<i>Office Equipment</i>	<i>Furniture & Fittings</i>	<i>Total Plant & Equipment</i>	<i>Property</i>	<i>Total Property, Plant & Equipment</i>
	\$	\$	\$	\$	\$	\$
At 30 June 2012 - fair value						
Gross carrying amount	56,011	38,328	177,489	271,828	2,416,050	2,687,878
Accumulated depreciation and impairment	(39,540)	(38,066)	(125,665)	(203,270)	(72,121)	(275,391)
Net carrying amount	<u>16,471</u>	<u>263</u>	<u>51,824</u>	<u>68,558</u>	<u>2,343,929</u>	<u>2,412,487</u>

Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the prior reporting is set out as below:

	<i>Computer Equipment</i>	<i>Office Equipment</i>	<i>Furniture & Fittings</i>	<i>Total Plant & Equipment</i>	<i>Property</i>	<i>Total Property, Plant & Equipment</i>
	\$	\$	\$	\$	\$	\$
Year ended 30 June 2012						
Net carrying amount at start of the year	13,052	353	69,573	82,977	2,416,050	2,499,027
Additions	8,279	-	-	8,279	-	8,279
Disposals	(1,460)	-	-	(1,460)	-	(1,460)
Net revaluation increment less revaluation decrements	-	-	-	-	-	0
Depreciation expense	(4,859)	(90)	(17,749)	(22,698)	(72,121)	(94,819)
Writeback on accumulated depreciation on disposals	1,460	-	-	1,460	-	1,460
Net carrying amount at end of the year	<u>16,472</u>	<u>263</u>	<u>51,824</u>	<u>68,558</u>	<u>2,343,929</u>	<u>2,412,487</u>

Revaluation of Property

Each class of physical non-current assets is revalued at least every 5 years. The property was revalued as at 30 June 2011 for the Board by Mr Paul Goldsmith, Registered Valuer, Australian Property Institute, who is the Valuation Manager, Government Clients, Land & Property Information.

Buildings and improvements are non specialised assets, for which current market buying price can be observed. The property has been revalued having regard to the direct comparison method of valuation and the capitalisation of rental income approach having reference to current market transactions of comparable properties in the surrounding locality.

An independent desk-top revaluation of the property was undertaken by the same property valuers as at 30 June 2013, resulting in a revaluation of the property by 2.2%.

LEGAL PROFESSION ADMISSION BOARD
Notes to and forming part of the financial statements
For the Year ended 30 June 2013

6 NON-CURRENT ASSETS - INTANGIBLE ASSETS - SOFTWARE

At 1 July 2012

Cost (gross carrying amount)	360,562
Accumulated amortisation and impairment	<u>(135,211)</u>
Net carrying amount	<u><u>225,351</u></u>

At 30 June 2013

Cost (gross carrying amount)	360,562
Accumulated amortisation and impairment	<u>(226,507)</u>
Net carrying amount	<u><u>134,055</u></u>

Year ended 30 June 2013

Net carrying amount at start of year	225,351
Additions	0
Impairment losses	0
Amortisation	(91,296)
Other movements	<u>0</u>
Net carrying amount at end of the year	<u><u>134,055</u></u>

At 1 July 2011

Cost (gross carrying amount)	360,562
Accumulated amortisation and impairment	<u>(45,070)</u>
Net carrying amount	<u><u>315,492</u></u>

At 30 June 2012

Cost (gross carrying amount)	360,562
Accumulated amortisation and impairment	<u>(135,211)</u>
Net carrying amount	<u><u>225,351</u></u>

Year ended 30 June 2012

Net carrying amount at start of year	315,492
Additions	0
Impairment losses	0
Amortisation	(90,141)
Other movements	<u>0</u>
Net carrying amount at end of year	<u><u>225,351</u></u>

LEGAL PROFESSION ADMISSION BOARD
Notes to and forming part of the financial statements
For the Year ended 30 June 2013

7 CURRENT LIABILITIES-PROVISIONS-PERSONNEL SERVICES

	2013	2012
	\$	\$
Provisions		
Recreation Leave	95,064	126,831
Long Service Leave and Oncosts	295,395	330,632
Total	<u><u>390,459</u></u>	<u><u>457,462</u></u>

The Board's long service leave liability is included in Provisions - Personnel Services, and then offset by a corresponding asset which is included in Receivables.

8 CURRENT LIABILITIES - PAYABLES

	2013	2012
	\$	\$
Tuition Fees (Refer Note 1(n))	42,729	1,186,080
Examination Fees (Refer Note 1(n))	408,567	371,040
Prizes (a)	13,156	13,556
Sundry Accruals	25,436	177,700
Department of Attorney General and Justice (b)	1,295,116	0
Total	<u><u>1,785,003</u></u>	<u><u>1,748,376</u></u>

The 30 June 2013 balance includes Tuition Fees of \$42,729 (compared to \$1,186,080 on 30 June 2012), due to the University of Sydney in respect of the term May to September 2013 session. The Board retained interest on these funds.

- (a) The funds for prizes have been established by donations.
- (b) Intercompany settlement to DAGJ as at 30/06/13.

LEGAL PROFESSION ADMISSION BOARD
Notes to and forming part of the financial statements
For the Year ended 30 June 2013

9 NON-CURRENT LIABILITIES

a) PROVISIONS - PERSONNEL SERVICES

	2013	2012
	\$	\$
Long Service Leave and Oncosts	3,418	0
Provision for Superannuation	656,877	959,960
Total	<u>660,295</u>	<u>959,960</u>

b) LONG TERM BORROWINGS

	2013	2012
	\$	\$
Borrowing	400,000	600,000
Total	<u>400,000</u>	<u>600,000</u>

Borrowings are from NSW Treasury Corporation for the purchase of the premises at Level 4, 37 Bligh Street Sydney. The original loan of \$1.5 million was made on 10 December 2004. Rollover loans mature on 30 June of each year. The Board approves payment amounts before that date based upon the Board's financial position and recommendation of the Executive Officer. TCorp advises new interest rates and the outstanding amount is rolled over to a new 12 month loan.

Maturing loans may be re-financed if the borrowing limit is not exceeded, at the discretion of LPAB. As such, borrowings that are expected to mature within the next 12 months that management expect to rollover for at least another 12 months from reporting date, have been classified as non-current.

10 PERSONNEL SERVICES EXPENSES

	2013	2012
	\$	\$
Salaries and salaries related (Refer to Note (a))	985,343	977,530
Recreation Leave & Other	76,467	87,763
Payroll Tax & FBT	56,143	56,663
Worker's Compensation Insurance	9,792	22,330
Superannuation - Defined Benefit Plans (b)	(315,702)	580,466
Superannuation - Defined Contribution Plan	78,050	68,749
Total	<u>890,093</u>	<u>1,793,501</u>

(a) Salaries and related expenses includes salaries of office staff, who are employees of the Department of Attorney General and Justice, as well as salaries for Examiners, Exam Supervisors, Academic Assessment Committee members and agency staff, whom LPAB employ during busy enrolment and exam periods as well as admission ceremonies.

(b) The credit amount on Superannuation - Defined Benefit Plans is the result of an actuarial assessment as at 30 June 2013.

LEGAL PROFESSION ADMISSION BOARD
Notes to and forming part of the financial statements
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11 (a) OTHER OPERATING EXPENSES

	2013	2012
	\$	\$
Examination Related Expenses	732	8,393
Dep of Attorney General and Justice - Administration Fees	73,384	71,385
Legal Services	0	28,316
Miscellaneous Fees	47,940	23,751
Auditor's remuneration		
- audit of financial statements	17,400	17,100
Computer Equipment-Software	96,722	96,448
Rental - Examination Venues	55,868	55,866
Rates	55,996	51,570
Printing	42,540	37,182
Postage & Freight	24,951	22,891
Telephone	4,701	5,875
Computer Related Expenses-Network Charges	11,267	16,739
Stores & Stationery Cost	8,062	6,268
Maintenance Contracts	1,084	2,652
Repair & Maintenance	3,947	477
Minor Equipment	554	299
Miscellaneous	91,337	93,776
Total	<u>536,483</u>	<u>538,986</u>

11 (b) FINANCE COSTS

Interest Payment	<u>19,447</u>	<u>41,440</u>
Total	<u>19,447</u>	<u>41,440</u>

12 OTHER GAINS/(LOSSES)

	2013	2012
	\$	\$
Total	<u>0</u>	<u>0</u>

LEGAL PROFESSION ADMISSION BOARD
Notes to and forming part of the financial statements
For the Year ended 30 June 2013

**13 RECONCILIATION OF NET RESULT FOR THE YEAR TO NET CASH FLOWS
FROM OPERATING ACTIVITIES**

Reconciliation of net result for the year to net cash flows from operating activities

	2013	2012
	\$	\$
Net result for the year	660,661	(505,636)
Depreciation and amortisation	152,561	184,959
(Increase)/Decrease in Receivables and Prepayments	10,334	(186,533)
Increase/(Decrease) in Provisions	(366,668)	690,856
Increase/(Decrease) in Payables	36,628	238,560
Net Cash Flows from Operating Activities	<u>493,516</u>	<u>422,206</u>

LEGAL PROFESSION ADMISSION BOARD
Notes to and forming part of the financial statements
For the Year ended 30 June 2013

14 FINANCIAL INSTRUMENTS

The Board's principal financial instruments are outlined below. These financial instruments arise directly from the Board's operations or are required to finance the Board's operations. The Board does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Board's main risks arising from financial instruments are outlined below, together with the Board's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout this financial statements.

The Board has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Board, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the Board on a continuous basis.

(a) Financial Instrument Categories

Financial Assets	Note	Category	Carrying Amount 2013 \$	Carrying Amount 2012 \$
Class:				
Cash and cash equivalents	2	N/A	2,501,061	2,229,036
		At fair value through profit or loss		
Other financial assets	3		567,261	547,117
Receivables (1)	4	Receivables at amortised cost	306,000	320,126
Financial Liabilities				
Class:				
Payables (2)	8	Financial liabilities measured at amortised cost	1,333,708	191,256
Borrowings	9b	Financial liabilities measured at amortised cost	400,000	600,000

(1) Excludes statutory receivables and prepayments (i.e. not within the scope of AASB 7).

(2) Excludes statutory payable and unearned revenue (i.e. not within the scope of AASB 7).

(b) Credit Risk

Credit risk arises when there is the possibility of the Board's debtors defaulting on their contractual obligations, resulting in a financial loss to the Board. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from the financial assets of the Board, including cash and receivables. No collateral is held by the Board. The Board has not granted any financial guarantees.

Cash

Cash comprises cash on hand and bank balances. Interest is earned on daily bank balances.

Receivables - trade debtors

All trade debtors are recognised as amounts receivable at balance date. Collectibility of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letter of demand. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors. Sales are made on 30 day terms.

The Board is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. There are no debtors which are currently not past due or impaired whose terms have been renegotiated.

LEGAL PROFESSION ADMISSION BOARD
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(c) **Liquidity Risk**

Liquidity risk is the risk that the Board will be unable to meet its payment obligations when they fall due. The Board continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets.

During the current year and prior years, there were no defaults or breaches on any loans payable. No assets have been pledged as collateral. The Board's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in Treasurer's Direction 219.01. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received.

The table below summarises the maturity profile of the Board's financial liabilities, together with the interest rate exposure.

Maturity Analysis and Interest Rate Exposure of Financial Liabilities

2013	Weighted Average Effective Int Rate	Nominal Amount	Interest Rate Exposure		<1yr	Maturity Dates	
			Fixed Interest Rate	Non-interest bearing		1-5 yrs	>5yrs
		\$			\$	\$	\$
Financial Liabilities							
Payables	0	1,333,708		1,333,708			
Interest bearing liabilities:							
Borrowings from T Corp		400,000	3.25		0	400,000	0
		<u>1,733,708</u>		<u>1,333,708</u>	<u>0</u>	<u>400,000</u>	<u>0</u>

2012	Weighted Average Effective Int Rate	Nominal Amount	Interest Rate Exposure		<1yr	Maturity Dates	
			Fixed Interest Rate	Non-interest bearing		1-5 yrs	>5yrs
		\$			\$	\$	\$
Financial Liabilities							
Payables	0	191,256		191,256			
Interest bearing liabilities:							
Borrowings from T Corp		600,000	3.25		0	600,000	0
		<u>791,256</u>		<u>191,256</u>	<u>0</u>	<u>600,000</u>	<u>0</u>

(d) **Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Board's exposures to market risk are primarily through interest rate risk on the Board's borrowings and other price risks associated with the movement in the unit price of the Hour Glass Investment facilities. The Board has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on operating performance and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Board operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the statement of financial position date. The analysis is performed on the same basis for 2012. The analysis assumes that all other variables remain constant.

Interest rate risk

Exposure to interest rate risk arises primarily through the Board's interest bearing liabilities. This risk is minimised by undertaking mainly fixed rate borrowings, primarily with NSW TCorp. The Board does not account for any fixed rate financial instruments at fair value through profit or loss or as available for sale. Therefore for these financial instruments a change in interest rates would not affect profit or loss or equity. A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The Board's exposure to interest rate risk is set out below.

LEGAL PROFESSION ADMISSION BOARD
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For the Year ended 30 June 2013

	Carrying Amount	-1% Profit	Equity	+1% Profit	Equity
	\$	\$	\$	\$	\$
2013					
<i>Financial Assets</i>					
Cash and cash equivalents	2,501,061	(25,011)	(25,011)	25,011	25,011
Other financial assets	567,261	(5,673)	(5,673)	5,673	5,673
<i>Financial Liabilities</i>					
		Fixed Interest			
Borrowings	400,000				
2012					
<i>Financial Assets</i>					
Cash and cash equivalents	2,229,036	(22,290)	(22,290)	22,290	22,290
Other financial assets	547,117	(5,471)	(5,471)	5,471	5,471
<i>Financial Liabilities</i>					
		Fixed Interest			
Borrowings	600,000				

(e) Fair Value

Financial instruments are generally recognised at cost.

The amortised cost of financial instruments recognised in the balance sheet approximates the fair value, because of the short term nature of many of the financial instruments.

The Board uses the following hierarchy for disclosing the fair value of financial instruments by valuation technique:

- Level 1 - Derived from quoted prices in active markets for identical assets/liabilities
- Level 2 - Derived from inputs other than quoted prices that are observable directly or indirectly.
- Level 3 - Derived from valuation techniques that include inputs for the asset/liability not based on observable market data (unobservable inputs)

	Level 1	Level 2	Level 3	Total
Financial Assets at fair value				
TCorp Hour Glass - Cash Facility Investment	-	567,261	-	567,261

There were no transfers between level 1 and 2 during the year ended 30 June 2013.

Prices for the TCorp Hour Glass Investment Facility are observable ; however no active market exists for these facilities as they are only accessible to government agencies.

LEGAL PROFESSION ADMISSION BOARD
Notes to and forming part of the financial statements
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15 CONTINGENT LIABILITIES

The Board is unaware of any matters that may lead to any significant contingent liability.

16 COMMITMENTS FOR EXPENDITURE

The Board does not have any commitments for expenditure as at 30 June 2013.

17 AFTER BALANCE DATE EVENTS

The Board is unaware of any events occurring after 30 June 2013 which would impact upon these financial statements.

End of Audited Financial Statements