# **Freehills Patent Attorneys**

ABN 69 113 651 229

financial report (unaudited) for the year ended 30 June 2013





# TABLE OF CONTENTS

Financial report	Page
Income statement	1
Balance sheet	2
Notes to the financial statements	3 - 5
Partners' declaration	6

# INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
Income			
Fee income	1(e)	20,521,306	20,899,668
Net movement in work in progress		1,094,584	(338,449)
Disbursements billed		725,749	675,213
Interest income	2(a)	25,072	-
Other income	_	230,950	94,500
Total income	2	22,597,661	21,330,932
Bad debts	3(a)	(217,332)	(134,429)
Doubtful debts provision movement	_	(52,625)	27,508
Net income		22,327,704	21,224,011
Less expenses			
Bank fees		85,355	-
Business development expenses		373	328
Couriers		10	1,104
Entertainment expenses		26,865	25,382
Fringe benefit tax		3,921	3,021
General expenses		141,470	158,389
Interest paid	3(a)	83,027	258,683
Management fee expense		7,961,913	11,156,861
Payroll tax		173,404	-
Professional memberships		26,065	31,381
Practicing certificates		6,747	13,863
Recruitment		-	55,202
Rewards & Recognition		460	2,593
Salaries and wages		3,687,894	3,717,593
Search and filing fees		74	-
Sponsorships		2,670	4,545
Staff amenities		3,712	11,647
Staff training		95,703	62,008
Superannuation		288,879	285,584
Travel and accomodation		187,339	292,326
Workcover expense	_	11,163	36,122
Total expenses	_	12,787,044	16,116,632
Operating profit (Profit available for distribution)	11 _	9,540,660	5,107,379

# BALANCE SHEET AS AT 30 JUNE 2013

	Note	2013 \$	2012 \$
Current assets			
Cash and cash equivalents	4	946,420	-
Trade and other receivables	5	5,659,435	4,551,545
Inventories	6	1,956,493	630,989
Other current assets	7	41,408	75,191
	_	8,603,756	5,257,725
	—		
Total assets	_	8,603,756	5,257,725
Current liabilities			
Trade and other payables	8	1,662,606	3,241,454
Interest bearing liabilities	9	2,000,000	
Provisions	10	187,513	195,764
1 10//3/01/3	10	3,850,119	3,437,218
	·	5,050,115	0,407,210
Non-current liabilities			
Provisions	10	267,853	253,169
		267,853	253,169
Total liabilities		4,117,972	3,690,387
Net assets	_	4,485,784	1,567,338
Partner funds		4 405 704	1 667 000
Current accounts		4,485,784	1,567,338
Total partner funds	—	4,485,784	1,567,338

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

#### Note 1: Statement of significant accounting policies

This financial report is a special purpose financial report prepared in order to satisfy the financial report preparation requirements of the Partnership Agreement. The partners have determined that the entity is not a reporting entity.

The significant accounting policies under AIFRS are provided below. The financial report has been prepared in accordance with recognition and measurement requirements of all applicable Australian Accounting Standards. The requirements set out by the standards in relation to presentation and disclosure have not been applied.

The report is also prepared on an accruals basis and is based on historic costs and except where specifically stated, do not take into account changing money values or current valuations of non-current assets.

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this report:

## (a) AASB102: Inventories

Work in progress ultimately owed to Freehills Patent Attorneys are unbilled fees that can be directly allocated to specific projects.

#### (b) AASB 119: Employee benefits

Provision is made for the entity's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements arising from salaries and leave expected to be settled within one year have been measured at their nominal amount. Employee entitlements payable later than one year have been measured at their present value. Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

## (c) AASB 118: Revenue

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. Other revenue is recognised when the right to receive the revenue has been established. All revenue is stated net of the amount of goods and services tax (GST).

#### (d) AASB 139: Financial Instruments: Recognition and Measurement

All financial assets, liabilities, loans and receivables have been recorded at cost.

#### (e) Comparatives

Comparative balance sheet information is provided based upon the balances purchased from Herbert Smith Freehills (previously Freehills) at 1 July 2012.

Comparative income statement information is provided based upon financial results from which the 30 June 2012 income tax return was prepared. These income statement figures are inclusive of the trade marks practice up until 1 March 2012. Absent the trade mark practice, the patent practice made \$18.430 million of revenue during FY 2012.

Complete financial statements were not made for Freehills Patent and Trade Mark Attorneys at 30 June 2012 as they were included as part of the parent company group.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

Note 2: Revenue         20,521,306         20,899,668           Operating activities         1,094,584         (338,449)           Predincoments billed         1,294,584         (338,449)           Disbursements billed         725,749         675,213           Interest income         230,950         94,500           Other income         230,950         94,500           Total revenue         22,597,661         21,330,332           (a) Interest from:         25,072         -           - other persons         22,072         -           (b) Included in fee income and disbursements billed         -         Foreign currency exchange gain/(loss)           Profit/(losses) from ordinary activities         225,072         -           Profit/(losses) from ordinary activities before income tax         expenses (income tax revenue) has been determined after:         (a) Expenses:           Borrowing costs:         -         1134,429         -           Note 4: Cash and cash equivalents         Bank Account - ANZ         944,420         -           Petty cash         2,000         -         -           Trade accounts receivable         5,938,663         4,699,305         -           Less: Provision for doubtful debts         5,735,606         4,548,872		Note	2013 \$	2012 \$
Fee income         20,521,306         20,899,668           Net movement in work in progress         1,094,584         (338,449)           Disbursements billed         725,749         675,213           Interest income         230,950         94,500           Total revenue         22,597,661         21,330,932           (a) Interest from:         25,072         -           - other persons         25,072         -           (b) Included in fee income and disbursements billed         230,950         94,500           - Foreign currency exchange gain/(toss)         (230,035)         49,835           Note 3: Profit from ordinary activities         Profit/(tosses) from ordinary activities before income tax         expenses:           Borrowing costs:         -         Interest paid: other persons         83,027         258,683           Bad debts         217,332         134,429         -           Note 4: Cash and cash equivalents         83,027         258,663         4,699,305           Bark Account - ANZ         944,420         -         -           Petty cash         2,000         -         -           Trade accounts receivables         5,735,606         4,648,872         -           Current         5,735,6066         4,55	Note 2: Revenue		·	·
Net movement in work in progress         1,094,584         (338,449)           Disbursements billed         725,749         675,213           Interest income         2(a)         25,072         -           Other income         2(a)         22,597,661         21,330,932           (a) Interest from:         -         -         (b) Included in fee income and disbursements billed         -         -           - Foreign currency exchange gain/(loss)         (230,035)         49,835         49,835           Note 3: Profit from ordinary activities         Profit/(losses) from ordinary activities before income tax expenses (income tax revenue) has been determined after:         -         -           (a) Expenses:         Borrowing costs:         -         -         144,429         -           Note 4: Cash and cash equivalents         Bank Account - ANZ         944,420         -         -           Petty cash         2(203,057)         (150,433)         -         -           Trade accounts receivable         5,938,663         4,699,305         -         -           Current         Trade accounts receivable         54,129         -         -           Other receivable         54,129         -         -         -           Other receivable         54,12	Operating activities			
Disbursements billed         725 749         675,213           Interest income         2(a)         25,072         -           Other income         22,0950         94,500         21,330,932           (a) Interest from:         -         22,597,661         21,330,932           (a) Interest from:         -         -         -           - other persons         25,072         -         -           (b) Included in fee income and disbursements billed         -         5,072         -           - Foreign currency exchange gain/(loss)         (230,035)         49,835         49,835           Note 3: Profit from ordinary activities         profit/(losses) from ordinary activities before income tax expenses (income tax revenue) has been determined after:         -         -           (a) Expenses:         Borrowing costs:         -         -         134,429           Note 4: Cash and cash equivalents         -         -         -         -           Bark Account - ANZ         944,420         -         -         -           Petty cash         2(000         -         -         -           Current         Trade accounts receivable         5,938,663         4,699,305         -           GST receivable         54,129         <	Fee income		20,521,306	20,899,668
Interest income         2(a)         25.072         -           Other income         230.950         94,500           Total revenue         22.597.661         21.330.932           (a) Interest from:         25.072         -           (b) Included in fee income and disbursements billed         25.072         -           (b) Included in fee income and disbursements billed         (230.035)         49.835           Note 3: Profit from ordinary activities         (230.035)         49.835           Profit/(losses) from ordinary activities before income tax expenses (income tax revenue) has been determined after:         (a) Expenses:           Borrowing costs:         -         1nterest paid: other persons         83.027         258.683           Bad debts         217,332         134,429         -         -           Note 4: Cash and cash equivalents         Bank Account - ANZ         944,420         -           Petty cash         2.000         -         -           Vote 4: Cash and other receivables         (230.057)         (150.433)           Current         Trade accounts receivable         5,735.606         4,548.672           Note 5: Trade and other receivables         (135.015)         -         -           GST receivable         54.129         -	Net movement in work in progress		1,094,584	(338,449)
Other income         230,950         94,500           Total revenue         22,597,661         21,330,932           (a) Interest from:         -         -           - other persons         25,072         -           (b) Included in fee income and disbursements billed         (230,035)         49,835           - Foreign currency exchange gain/(loss)         (230,035)         49,835           Note 3: Profit from ordinary activities         (230,035)         49,835           Profit/(losses) from ordinary activities before income tax expenses (income tax revenue) has been determined after:         (a) Expenses:         83,027         258,683           Bad debts         217,332         134,429         -         Petry cash         2,000         -           Note 4: Cash and cash equivalents         Bank Account - ANZ         944,420         -         -           Petry cash         2,000         -         946,420         -           Trade accounts receivables         2(203,057)         (150,433)         -           Current         136,015)         -         -           Trade accounts receivable         5,735,606         4,548,872         -           Unapplied Cash         (135,015)         -         -           GST receivable	Disbursements billed		725,749	675,213
Total revenue         22,597,661         21,330,932           (a) Interest from:         -	Interest income	2(a)	25,072	-
(a) Interest from:       25,072       -         (b) Included in fee income and disbursements billed       25,072       -         (b) Included in fee income and disbursements billed       (230,035)       49,835         Note 3: Profit from ordinary activities       (230,035)       49,835         Profit/(losses) from ordinary activities before income tax expenses (income tax revenue) has been determined after:       (a) Expenses:         Borrowing costs:       -       1       134,429         Note 4: Cash and cash equivalents       83,027       258,663         Bad debts       217,332       134,429         Note 4: Cash and cash equivalents       944,420       -         Bank Account - ANZ       944,420       -         Petty cash       2,000       -         Trade accounts receivables       (203,057)       (150,433)         Current       5,735,606       4,548,872         Unapplied Cash       (35,735,606       4,548,872         Unapplied Cash       (135,015)       -         GST receivable       54,129       -         Other receivables       4,715       2,673         S5,659,435       4,551,546          Note 6: Inventories       1,856,525       565,911         Work	Other income		230,950	
- other persons       25,072       -         (b) Included in fee income and disbursements billed       (230,035)       49,835         • Foreign currency exchange gain/(loss)       (230,035)       49,835         Note 3: Profit from ordinary activities       Profit/(losses) from ordinary activities before income tax expenses (income tax revenue) has been determined after:       (a) Expenses:         Borrowing costs:       -       114,429         - Interest paid: other persons       83,027       258,683         Bad debts       217,332       134,429         Note 4: Cash and cash equivalents       944,420       -         Bank Account - ANZ       944,420       -         Petty cash       2,000       -         Trade and other receivables       (203,057)       (150,433)         Current       5,938,663       4,699,305         Less: Provision for doubtful debts       (203,057)       (150,433)         Unapplied Cash       (135,015)       -         GST receivable       5,4129       -         Other receivables       4,715       2,673         Work in progress       1,856,525       565,911         Unbilled disbursements       327,311       96,391         Less: Provision for WIP and unbilled disbursements	Total revenue		22,597,661	21,330,932
(b) Included in fee income and disbursements billed       . Foreign currency exchange gain/(loss)       (230,035)       49,835         Note 3: Profit from ordinary activities       Profit/(losses) from ordinary activities before income tax expenses (income tax revenue) has been determined after:       (a) Expenses:         Borrowing costs:       - Interest paid: other persons       83,027       258,683         Bad debts       217,332       134,429         Note 4: Cash and cash equivalents       Bank Account - ANZ       944,420       -         Petty cash       2,000       -       -         Note 5: Trade and other receivables       (203,057)       (150,433)         Current       5,738,663       4,699,305         Less: Provision for doubtful debts       (203,057)       (150,433)         Unapplied Cash       (135,015)       -         GST receivable       54,129       -         Other receivables       4,715       2,673         Work in progress       1,856,525       565,911         Work in progress       1,856,525       565,911         Work in progress       1,956,493       630,989         Note 7: Other current assets       327,311       96,391	(a) Interest from:			
- Foreign currency exchange gain/(loss)       (230,035)       49,835         Note 3: Profit from ordinary activities       Profit/(losses) from ordinary activities before income tax expenses (income tax revenue) has been determined after: <ul> <li>(a) Expenses:</li> <li>Borrowing costs:</li> <li>- Interest paid: other persons</li> <li>83,027</li> <li>258,683</li> </ul> Bad debts         217,332         134,429           Note 4: Cash and cash equivalents         944,420 <ul> <li>-</li> <li>Petty cash</li> <li>946,420</li> <li>-</li> </ul> Notes 5: Trade and other receivables         2,000         -           Current         Trade accounts receivables         203,057)         (150,433)           Trade accounts receivable         5,735,606         4,548,872         -           Unapplied Cash         (135,015)         -               GST receivable <li>54,129</li> <li>-             <li>Other receivables</li> <li>4,515,545</li>             Note 6: Inventories         1,856,525         565,911           Work in progress         1,856,525         565,911           Unbilled disbursements         327,311         96,391           Less: Provision for WIP and unbilled disbursements         (227,343)         (3</li>	- other persons	_	25,072	-
Note 3: Profit from ordinary activities         Profit/(losses) from ordinary activities before income tax expenses (income tax revenue) has been determined after:         (a) Expenses:         Borrowing costs:         - Interest paid: other persons       83,027         Bad debts       217,332         1 debts       217,332         Bad debts       217,332         1 debts       217,332         Bad debts       217,332         1 debts       2,000         -       2,000         -       2,000         -       2,000         -       2,000         -       2,000         -       2,000         -       2,000         -       1,001         -       1,001         -       5,735,606 <t< td=""><td>(b) Included in fee income and disbursements billed</td><td></td><td></td><td></td></t<>	(b) Included in fee income and disbursements billed			
Profit/(losses) from ordinary activities before income tax expenses (income tax revenue) has been determined after: (a) Expenses: Borrowing costs: - Interest paid: other persons83,027 258,683Bad debts217,332134,429Note 4: Cash and cash equivalents Bank Account - ANZ944,420 	- Foreign currency exchange gain/(loss)	_	(230,035)	49,835
expenses (income tax revenue) has been determined after:(a) Expenses: Borrowing costs: - Interest paid: other persons $83,027$ $258,683$ Bad debts $217,332$ $134,429$ Note 4: Cash and cash equivalents Bank Account - ANZ $944,420$ $2,000$ -Petty cash $2,000$ $946,420$ -Notes 5: Trade and other receivables Current $(203,057)$ $(150,433)$ $(150,433)$ $5,735,606$ Notes 5: Provision for doubtful debts $(203,057)$ $(150,433)$ $(150,433)$ $5,735,606$ Unapplied Cash GST receivable $(135,015)$ $54,129$ -Other receivables $4,715$ $2,673$ $5,659,435$ $4,551,545$ Note 6: Inventories Work in progress Unbilled disbursements $327,311$ $327,311$ $96,391$ Less: Provision for WIP and unbilled disbursements $327,311$ $327,311$ $96,393$ $630,989$ Note 7: Other current assets	•			
(a) Expenses:         Borrowing costs:         - Interest paid: other persons       83,027       258,683         Bad debts       217,332       134,429         Note 4: Cash and cash equivalents       Bank Account - ANZ       944,420       -         Petty cash       2,000       -       -         Notes 5: Trade and other receivables       2,000       -         Current       Trade accounts receivable       5,938,663       4,699,305         Less: Provision for doubtful debts       (203,057)       (150,433)         Unapplied Cash       (135,015)       -         GST receivable       54,129       -         Other receivables       4,715       2,673         Mork in progress       1,856,525       565,911         Work in progress       1,856,525       565,911         Unbilled disbursements       327,311       96,391         Less: Provision for WIP and unbilled disbursements       (227,343)       (31,313)         1,956,493       630,989       Note 7: Other current assets				
Borrowing costs:         - Interest paid: other persons         83,027         258,683           Bad debts         217,332         134,429           Note 4: Cash and cash equivalents         944,420         -           Bank Account - ANZ         944,420         -           Petty cash         2,000         -           Motes 5: Trade and other receivables         946,420         -           Current         7rade accounts receivable         5,938,663         4,699,305           Less: Provision for doubtful debts         (203,057)         (150,433)           Unapplied Cash         (135,015)         -           GST receivable         54,129         -           Other receivables         4,715         2,673           Mork 6: Inventories         4,551,545         4,551,545           Note 6: Inventories         1,856,525         565,911           Work in progress         1,856,525         565,911           Unbilled disbursements         (227,343)         (31,313)           Less: Provision for WIP and unbilled disbursements         (227,343)         630,989           Note 7: Other current assets         -         -		after:		
- Interest paid: other persons       83,027       258,683         Bad debts       217,332       134,429         Note 4: Cash and cash equivalents       944,420       -         Bank Account - ANZ       944,420       -         Petty cash       2,000       -         946,420       -       -         Notes 5: Trade and other receivables       203,067)       (150,433)         Current       5,938,663       4,699,305         Less: Provision for doubtful debts       (203,067)       (150,433)         Unapplied Cash       (135,015)       -         GST receivable       5,659,435       4,551,545         Note 6: Inventories       327,311       96,391         Work in progress       1,856,525       565,911         Unbilled disbursements       327,311       96,391         Less: Provision for WIP and unbilled disbursements       (227,343)       (31,313)         1,956,493       630,989       Note 7: Other current assets				
Bad debts $217,32$ $134,429$ Note 4: Cash and cash equivalentsBank Account - ANZPetty cash2,000946,420•Notes 5: Trade and other receivablesCurrentTrade accounts receivable5,938,6634,699,305Less: Provision for doubtful debts(203,057)(150,433)5,735,6064,548,872Unapplied CashGST receivable5,4129Other receivables4,7152,6735,659,4354,551,545Note 6: InventoriesWork in progressUnabilied disbursementsLess: Provision for WIP and unbilled disbursements(227,343)(31,313)1,956,493630,989Note 7: Other current assets	-		~~~~	
Note 4: Cash and cash equivalentsBank Account - ANZPetty cash $2,000$ $946,420$ $946,420$ $946,420$ Trade and other receivablesCurrentTrade accounts receivable $5,938,663$ Less: Provision for doubtful debts $(203,057)$ $(150,433)$ $5,735,606$ $4,548,872$ Unapplied Cash $(135,015)$ GST receivable $5,659,435$ $4,551,545$ Note 6: InventoriesWork in progress $1,856,525$ $565,911$ Unbilled disbursements $(227,343)$ $(31,313)$ $1,956,493$ $630,989$ Note 7: Other current assets	- Interest paid: other persons	_	83,027	258,683
Bank Account - ANZ       944,420       -         Petty cash       2,000       -         946,420       -       -         Notes 5: Trade and other receivables       -       -         Current       5,938,663       4,699,305         Less: Provision for doubtful debts       (203,057)       (150,433)         S,735,606       4,548,872       -         Unapplied Cash       (135,015)       -         GST receivable       54,129       -         Other receivables       4,715       2,673         5,659,435       4,551,545       -         Note 6: Inventories       327,311       96,391         Less: Provision for WIP and unbilled disbursements       (227,343)       (31,313)         1,956,493       630,989       -         Note 7: Other current assets       -       -	Bad debts	_	217,332	134,429
Petty cash         2,000         -           946,420         -           Notes 5: Trade and other receivables         -           Current         -           Trade accounts receivable         5,938,663         4,699,305           Less: Provision for doubtful debts         (203,057)         (150,433)           Unapplied Cash         (135,015)         -           GST receivable         54,129         -           Other receivables         4,715         2,673           Statistical Stress         4,515,545         4,551,545           Note 6: Inventories         1,856,525         565,911           Unbilled disbursements         327,311         96,391           Less: Provision for WIP and unbilled disbursements         (227,343)         (31,313)           1,956,493         630,989         630,989	Note 4: Cash and cash equivalents			
946,420Notes 5: Trade and other receivablesCurrentTrade accounts receivable $5,938,663$ $4,699,305$ Less: Provision for doubtful debts $(203,057)$ $(150,433)$ Unapplied Cash $(135,015)$ -GST receivable $54,129$ -Other receivables $4,715$ $2,673$ 5,659,435 $4,551,545$ $4,551,545$ Note 6: Inventories $327,311$ $96,391$ Less: Provision for WIP and unbilled disbursements $(227,343)$ $(31,313)$ 1,956,493 $630,989$ $630,989$ Note 7: Other current assetsNote 7: Other current assets	Bank Account - ANZ		944,420	-
Notes 5: Trade and other receivables           Current           Trade accounts receivable         5,938,663         4,699,305           Less: Provision for doubtful debts         (203,057)         (150,433)           Unapplied Cash         (135,015)         -           GST receivable         54,129         -           Other receivables         4,715         2,673           5,659,435         4,551,545           Note 6: Inventories         327,311         96,391           Less: Provision for WIP and unbilled disbursements         (227,343)         (31,313)           1,956,493         630,989         630,989	Petty cash	_	2,000	-
Current         5,938,663         4,699,305           Less: Provision for doubtful debts         (203,057)         (150,433)           Unapplied Cash         5,735,606         4,548,872           Unapplied Cash         (135,015)         -           GST receivable         54,129         -           Other receivables         4,511,545         2,673           Mote 6: Inventories         4,551,545         4,551,545           Note 6: Inventories         1,856,525         565,911           Unbilled disbursements         327,311         96,391           Less: Provision for WIP and unbilled disbursements         (227,343)         (31,313)           1,956,493         630,989         630,989		=	946,420	-
Trade accounts receivable       5,938,663       4,699,305         Less: Provision for doubtful debts       (203,057)       (150,433)         Unapplied Cash       (135,015)       -         GST receivable       54,129       -         Other receivables       4,715       2,673         5,659,435       4,551,545         Note 6: Inventories       1,856,525       565,911         Unbilled disbursements       327,311       96,391         Less: Provision for WIP and unbilled disbursements       (227,343)       (31,313)         1,956,493       630,989       630,989				
Less: Provision for doubtful debts       (203,057)       (150,433)         Unapplied Cash       5,735,606       4,548,872         Unapplied Cash       (135,015)       -         GST receivable       54,129       -         Other receivables       4,715       2,673         5,659,435       4,551,545         Note 6: Inventories       1,856,525       565,911         Unbilled disbursements       327,311       96,391         Less: Provision for WIP and unbilled disbursements       (227,343)       (31,313)         1,956,493       630,989       630,989				
Unapplied Cash       5,735,606       4,548,872         Unapplied Cash       (135,015)       -         GST receivable       54,129       -         Other receivables       4,715       2,673         5,659,435       4,551,545       -         Note 6: Inventories       1,856,525       565,911         Unbilled disbursements       327,311       96,391         Less: Provision for WIP and unbilled disbursements       (227,343)       (31,313)         1,956,493       630,989       -         Note 7: Other current assets       -       -				
Unapplied Cash       (135,015)       -         GST receivable       54,129       -         Other receivables       4,715       2,673         5,659,435       4,551,545         Note 6: Inventories       1,856,525       565,911         Work in progress       327,311       96,391         Less: Provision for WIP and unbilled disbursements       (227,343)       (31,313)         1,956,493       630,989	Less: Provision for doubtful debts			
GST receivable       54,129       -         Other receivables       4,715       2,673         4,715       2,673       -         5,659,435       4,551,545       -         Note 6: Inventories       1,856,525       565,911         Unbilled disbursements       327,311       96,391         Less: Provision for WIP and unbilled disbursements       (227,343)       (31,313)         1,956,493       630,989       -         Note 7: Other current assets       -       -				4,548,872
Other receivables       4,715       2,673         5,659,435       4,551,545         Note 6: Inventories       1,856,525       565,911         Work in progress       1,856,525       565,911         Unbilled disbursements       327,311       96,391         Less: Provision for WIP and unbilled disbursements       (227,343)       (31,313)         1,956,493       630,989			. ,	-
Solution         5,659,435         4,551,545           Note 6: Inventories         1,856,525         565,911           Work in progress         1,856,525         565,911           Unbilled disbursements         327,311         96,391           Less: Provision for WIP and unbilled disbursements         (227,343)         (31,313)           1,956,493         630,989         630,989				-
Note 6: Inventories           Work in progress         1,856,525         565,911           Unbilled disbursements         327,311         96,391           Less: Provision for WIP and unbilled disbursements         (227,343)         (31,313)           1,956,493         630,989           Note 7: Other current assets         Image: Contemponent of the second	Other receivables	_		
Work in progress         1,856,525         565,911           Unbilled disbursements         327,311         96,391           Less: Provision for WIP and unbilled disbursements         (227,343)         (31,313)           1,956,493         630,989		=	5,659,435	4,551,545
Unbilled disbursements327,31196,391Less: Provision for WIP and unbilled disbursements(227,343)(31,313)1,956,493630,989	Note 6: Inventories			
Less: Provision for WIP and unbilled disbursements       (227,343)       (31,313)         1,956,493       630,989         Note 7: Other current assets       (31,313)	Work in progress		1,856,525	565,911
1,956,493         630,989           Note 7: Other current assets	Unbilled disbursements		327,311	96,391
Note 7: Other current assets	Less: Provision for WIP and unbilled disbursements		(227,343)	(31,313)
		=	1,956,493	630,989
Prepayments 41,408 75,191	Note 7: Other current assets			
	Prepayments	_	41,408	75,191

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	2013 \$	2012 \$
Note 8: Trade and other payables		
Unsecured liabilities		
Trade payables	585,868	-
Accruals	122,657	-
Loans from related entity - FPA Services Trust	954,081	213,633
Loans from associated entity - Herbert Smith Freehills		3,027,821
	1,662,606	3,241,454
Note 9: Interest bearing liabilities		
Secured liabilities		
ANZ Working Capital Facility	1,000,000	-
ANZ Partner Capital Contribution Facility	1,000,000	
	2,000,000	
Note 10: Provisions		
Current		
Provision for annual leave	148,870	125,296
Provision for long service leave	38,643	70,468
	187,513	195,764
Non-current		
Provision for annual leave	44,561	41,765
Provision for long service leave	223,292	211,404
	267,853	253,169
Note 11: Retained profits		
Profit available for distribution	9,540,660	5,107,379
Distributions to partners	(9,540,660)	(5,107,379)
Retained profits at the end of the year		

#### PARTNERS' DECLARATION

The partners have determined that the partnership is not a reporting entity.

The partners have determined that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 of the financial statements.

The partners acknowledge responsibility for the reliability, accuracy and completeness of the accounting records, and that all material and relevant information has been provided for the purposes of the completion of the financial report.

The partners declare that:

- 1. The financial statements and notes
  - (a) present fairly the partnership's financial position as at 30 June 2013 and financial performance for the year ended 30 June 2013 in accordance with the accounting standards as outlined in Note 1 of the financial statements, and
  - (b) give a true and fair view of the partnership's financial position as at 30 June 2013 and financial performance for the year ended 30 June 2013 in accordance with the accounting policies described in Note 1 of the financial statements.
- 2. In the partners' opinion there are reasonable grounds to believe that the partnership will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with the resolution of the partners.

Director

James Cherry - Managing Partner

Dated

19-11-2013