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## About us



Barristers' Chambers Limited's (BCL) purpose is to be the home of the Victorian Bar, open to all.

BCL is unique in its model, there is nothing like it anywhere else in the world. Established in 1959 as a wholly owned subsidiary of the Victorian Bar, BCL owns and leases buildings within the Melbourne CBD court precinct.

By providing barristers with the opportunity to secure a variety of chamber options and move within the BCL network on 30 day tenancies, BCL gives barristers the flexibility and opportunity to take chambers at no entry cost and move chambers as their practice needs change.

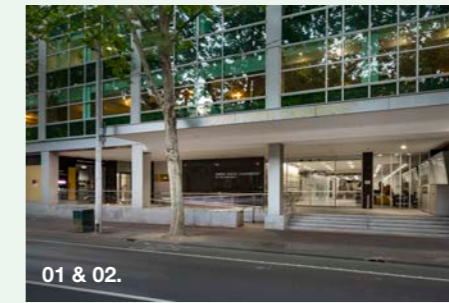
BCL manages and coordinates all property and technology services including property management, technology and telephony services and practice support services. All services are supported and delivered by a dedicated Service Desk, with consultants providing both remote and on-site support.

BCL provides a variety of chamber options across 77 floors in seven buildings in the Melbourne CBD court precinct.

Three buildings are wholly owned; the original home of the bar, Owen Dixon Chambers East, Owen Dixon Chambers West and Douglas Menzies Chambers. The remaining four are leased properties known as Aickin Chambers, Castan Chambers (including Gorman and Lonsdale Chambers), Isaacs Chambers and Ninian Stephen Chambers.

## Our Locations

Buildings within the court precinct



1. **Owen Dixon Chambers East**  
205 William Street, Melbourne
2. **Owen Dixon Chambers West**  
525 Lonsdale Street, Melbourne
3. **Douglas Menzies Chambers**  
180 William Street, Melbourne
4. **Aickin Chambers**  
200 Queen Street, Melbourne
5. **Isaacs Chambers and  
The BCL Business Centre**  
555 Lonsdale Street, Melbourne
6. **Ninian Stephen Chambers** 140  
William Street, Melbourne
7. **Castan Chambers**  
460 Lonsdale Street, Melbourne





## Business Snapshot

Owen Dixon Chambers West

BCL has continued to focus on service delivery to barristers as a client focused services provider who understands the current and future needs of the Bar.

	2018	2019
Buildings	7	7
Floors	77	77
Chambers	1,294	1,294
Total barristers in BCL chambers	1,411	1,501
Property asset value	\$242.9m	\$281.4m
Total investment into improving facilities and services	\$9.0m	\$6.4m
Revenue	\$39.8m	\$44.2m

In FY19 there has been a continued focus on providing a range of services to the Bar at the lowest possible cost. Our organisational structure, performance objectives and initiatives have been aligned to three core areas: property, technology and improved barrister service.



## Chairman's Report

### John H Karkar QC

In FY19 BCL generated a \$9.3 million operating cash flow, up \$3.2 million (\$6.1 million in FY18). This improvement was driven by reduced expenses and was reinvested back into providing better services to the Bar.

On 8 December 2018 I stepped into the role of Chairman of BCL. I would like to thank our previous Chairman, the Honourable Paul Anastassiou, for his dedication and zeal in the role and congratulate him again on his appointment to the Federal Court of Australia. I would also like to take this opportunity to thank our board members who retired during the year, Jack Fajgenbaum QC and Alice Williams for their valuable service and to welcome new board members Mick Brennan, Susan Brennan SC, Lisa Nichols QC and Catherine Walter AM.

In FY19 there has been a continued focus on providing better services to the Bar at the lowest possible cost. BCL's organisational structure, performance objectives and initiatives have been aligned to three core areas: property, technology and improved barrister service. During the year there were significant changes directed at improving our service, investing in our technology platform and our properties and reducing our costs.

In FY19 BCL generated a \$9.3 million operating cash flow, up \$3.2 million (\$6.1 million in FY18). This improvement was driven by reduced expenses and was reinvested into providing better services to the Bar. In FY19 we invested \$6.4 million in property upgrades and improved technology. In FY20 we plan to invest \$12 million in completing the Aickin Chambers fit-out, establishing two new floors at Castan Chambers, upgrading all the bathrooms at Owen Dixon Chambers West and refurbishing a number of floors at Owen Dixon Chambers East and Douglas Menzies Chambers.

The Aickin Chambers refurbishment programme continued with levels 16 and 27 being completed in FY19 with a further five floors to be completed by end of FY20. BCL further invested into fit-out and property improvements across two of our owned properties, Owen Dixon Chambers West and Douglas Menzies Chambers. These works will continue in FY20 and include amenity upgrades, fixing lifts, air-conditioning, mechanical services and refurbishment of certain floors.

Work is also underway on a longer-term property strategy in conjunction with the Bar. A Property and Development Sub-committee comprising of BCL Board members and subject matter experts have been charged with developing this strategy.

Our Audit and Risk Management Committee is focused on reducing the risk profile of BCL with a strong concentration on financial viability, disaster recovery and cyber security.

Cyber security continues to be a strong focus, with safeguards put in place to protect the Bar from the ongoing threats in the digital world. In October 2018, following consistent feedback from our engagement survey that the existing email spam filter was not effective, a new email spam filter was introduced to further reduce the amount of spam and phishing attacks. The password policy was also changed, resulting in a significant reduction in the number of email accounts being hacked.

New network infrastructure was installed in March 2019 to increase internet speed and reliability and Wi-Fi was installed throughout Owen Dixon Chambers West.

Following further feedback from our engagement survey indicating that 80% of barristers wanted a more cost-effective email hosting solution with increased storage and improved functionality, a new Microsoft Server email hosting solution was introduced in October 2018. We continue to focus on delivering a technology service that is aimed at providing a secure and reliable network, all at the lowest cost possible.

Service standards also continue to improve with resolution times decreasing and a focus on fixing systemic issues and providing value added services. With new systems and strong capabilities in customer service we will ensure that we are being efficient, low cost, fast, responsive, proactive and decisive. Our initiatives this year have been determined based on your feedback. I encourage you to continue to provide us with your feedback.

I would like to take this opportunity to thank both the Board and BCL team for their efforts during the year and I look forward to an efficient, productive and profitable FY20.

**John H Karkar QC**



New Peter O'Callaghan QC Gallery at Owen Dixon Chambers East

## Key Initiatives

In our continued efforts to improve on our core services of property and technology, barrister engagement is paramount. The valuable feedback provided will continue to drive BCL initiatives.

BCL has continued to concentrate on service delivery to barristers as a client focused, services provider which extends well beyond just a landlord. We understand the current and future needs of the Bar and work towards delivering on those needs.

In our continued efforts to improve on our core services of property and technology, barrister engagement is paramount. The valuable feedback provided will continue to drive BCL initiatives. Over the past 12 months, a variety of these initiatives implemented has improved efficiency, capability, refined processes and reduced costs:

- A variety of modern and affordable chamber options across 77 floors
- Continued review of opportunity to increase capacity through shared chambers and subdivision of chambers to meet increased demand
- A new modern entrance including the unveiled Peter O'Callaghan QC Gallery in the original home of the bar, Owen Dixon Chambers East, home to our largest population, with 747 barristers in 477 chambers
- A dedicated responsive Service Desk providing full support, with an additional Service Desk opened at Owen Dixon Chambers East
- A redesigned, low cost Business Centre in Isaacs Chambers offering to meet the needs of barristers who work outside the CBD, interstate, or do not wish to take on permanent chambers
- A range of improved, innovative and price competitive technology and telephony services that deliver a better solution at a reduced cost
- Improved reliability and improved speed of our internet service
- New email spam filter providing better protection to barristers from spam and phishing attacks
- Cloud based email service housed in Australia with improved functionality and protection to barristers; and
- An expanded, professional and streamlined Practice Support Service with an additional managed floor with new floors planned in FY20

The above initiatives and BCL's broader property and client service strategy have provided significant reinvestment back into the business to improve and deliver the fundamental services a barrister requires for their practice.

With a continued focus on responsive and commercial decision making to ensure:

### Great People

- A high performing team and culture, who are client focused, efficient, reliable and responsive whilst controlling the costs passed onto the Bar

### Improving Property Portfolio

- Effective management and growth of our assets for the benefit of the Bar
- Knowledge of our business including buildings to provide modern chambers and facilities that foster a collegiate environment

### Innovative Technology Solutions

- Provision of relevant, reliable, competitive, innovative technology solutions and services with an understanding of risk and security to see barristers in to the future

### Over the next 12 months future investment will include:

- Completion of the final four of nine floors in the Aickin Chambers renewal programme
- Bathroom upgrades for levels 1-18 of Owen Dixon Chambers West
- Refurbishment works at Owen Dixon Chambers East and Douglas Menzies Chambers
- Two brand new floors at Castan Chambers, providing an additional 50+ chambers
- Lift and roof rectification works across our properties
- Owen Dixon Chambers network upgrade works.



Owen Dixon Chambers East

## Our Services

BCL has continued to concentrate on service delivery to barristers as a client focused services provider who understands the current and future needs of the Bar.

Service Desk	<ul style="list-style-type: none"> <li>• 2 fully staffed Service Desks at Isaacs Chambers and Owen Dixon Chambers East</li> <li>• 2,000 calls per month</li> <li>• 75% of requests addressed on the spot</li> <li>• 25% of requests logged</li> </ul>
Chamber Management	<ul style="list-style-type: none"> <li>• 1,294 chambers housing 1,501 barristers</li> <li>• 77 floors across 7 buildings</li> <li>• 99% occupancy</li> </ul>
Property	<ul style="list-style-type: none"> <li>• 3,600 property requests per year</li> <li>• 56% completed within the day</li> </ul>
Technology	<ul style="list-style-type: none"> <li>• 5,000+ technology requests logged per year</li> <li>• 720 telephone service requests logged</li> <li>• 78% completed within the day</li> </ul>
Mimecast Spam Filter	<ul style="list-style-type: none"> <li>• 60 million messages received</li> <li>• 70% filtered to spam and blocked</li> <li>• 24,000 impersonation attempts blocked</li> </ul>
Practice Support Services (PSS)	<ul style="list-style-type: none"> <li>• 9 Floors</li> <li>• 11 PSS team members assisting 200+ barristers across Aickin Chambers, Castan Chambers, Douglas Menzies Chambers and Isaacs Chambers</li> </ul>
Barrister Engagement	<ul style="list-style-type: none"> <li>• Twice a year barrister engagement surveys to seek feedback driving future initiatives</li> <li>• 2,202 barristers surveyed</li> <li>• 18% response rate</li> <li>• 76.4% overall satisfaction</li> </ul>



## Our Board Members



**John H Karkar QC**  
LLB (Hons), L.L.M.  
Chairman



**Adrian J Finanzio SC**  
BA, LLB  
Deputy Chairman



**Penelope A Neskovic QC**  
B Ec, LLB (Hons)



**Susan Brennan SC**  
BA, LLB (Hons)



**Catherine Walter AM**  
LLB (Hons), LLM, MBA



**Lisa Nichols QC**  
LLB (Hons)



**Mick Brennan**  
B Com, CA



**Paul Clark**  
B Bus (Acc), GAICD, FCA,  
EMBA (AGSM), SFFinsia  
Managing Director and  
Chief Executive Officer

## Our Financial Performance

Ninian Stephen Chambers



### Profit Commentary

Profit before tax for the 2019 financial year (excluding the impact of property revaluations) increased by \$3.9 million to \$5.7 million compared to the prior year. This increase is attributable to reduced employee and administrative costs of \$2.3 million and improved property performance \$1.6 million.

This improved property result includes;

- The full year effect of the additional floors leased at both the Castan Chambers and Aickin Chambers; and
- The effect of the 3.75% or 4.25% rental increase on 1st July 2018.

This rental increase was driven by a significant increase in the costs of operating our owned and leased buildings and to fund further property and technology projects. Increases in rates, land tax and utilities increased our operating costs. Our costs also increased due to contracted annual increases of between 3.5% and 4% in our leased buildings.

### BCL Financial Position

Net assets of the group grew \$31.9 million to a value of \$220.1 million. This was driven by the revaluation growth of the three owned properties (\$38.5 million) less capital expenditure (\$6.4 million).

### Cash Commentary

For the 2019 financial year, the business generated an additional \$3.2million in operating cash flow (totalling \$9.3 million) compared to the prior year. This improvement is attributable to significant operating savings from systems improvement, tighter expense and contract management, process efficiencies and reduced staff costs.

This improved operating cashflow contributed to the \$6.4 million BCL invested into capital improvements including \$5.0 million into property and fit-out across both the leased and owned buildings and \$1.4 into improving technology services for the Bar.

After repayment of debt and provision of a dividend to the Victorian Bar, the net result saw an increase in cash of \$1.6 million.

**All operating cash flow generated by BCL continues to be reinvested into improving the services we provide to the Bar.**

In 2020 this improved operating cash flow is being invested into the further capital improvements, including the refurbishment of:

- Douglas Menzies Chambers
- Owen Dixon Chambers East
- Owen Dixon Chambers West.

Additionally, the fit-out of a further two new floors at Castan is planned.

Our cashflow is also being used to fund a number of repairs across all of our properties.

Statement of Comprehensive Income  
Financial Results 2019 extracted from the signed  
Financial Statements for the year ended 30 June 2019

	2019	2018	Change	Note
<b>Continuing operations</b>				
<b>Revenue from continuing operations</b>	44,178	39,843	4,335	1
Employee benefits expense	(3,911)	(5,715)	1,804	2
Depreciation and amortisation expense	(2,575)	(2,241)	(334)	3
Lease expenses	(14,921)	(12,618)	(2,303)	4
Utilities	(2,870)	(2,575)	(295)	5
Administrative expenses	(4,669)	(5,029)	360	6
Building management expenses	(6,515)	(6,887)	372	7
Technology expenses	(1,134)	(1,051)	(83)	8
Finance expenses	(1,847)	(1,937)	90	9
<b>Operating profit before tax</b>	<b>5,736</b>	<b>1,790</b>	<b>3,946</b>	
Gain on revaluation of investment properties	37,903	35,825	2,078	10
Fair value gain (loss) on interest rate hedges	(1,037)	-	(1,037)	11
Income tax expense	(10,512)	(8,003)	(2,509)	
<b>Profit after income tax</b>	<b>32,090</b>	<b>29,612</b>	<b>2,478</b>	

**Commentary**

1. First full year of Opus revenue (\$2.3M) and new floors at Aicken and Castan (\$2.0M).
2. Reduction in staff numbers due to restructuring.
3. Increase due to the completion of various capital works.
4. Increase due to additional floors across the Aicken and Castan Chambers combined with market rental reviews.
5. Increase due to additional floors leased, combined with increasing utility prices.
6. Reduction the result of tighter expense control and reduced personnel.
7. Reduction the result of supplier renegotiations and tighter expense management.
8. Increase the result of various Technology projects including security upgrades and improved internet services.
9. Reduction the result of debt repayment during the course of the financial year and lower interest rates.
10. Valuation growth of 16% resulting from firming Capitalisation rates (ranging from 0.25% to 0.50% per property) combined with growing rental income across the owned portfolio.
11. Recognition of downwards movement in interest rates and shortening length of remaining fixed hedge contract.

Statement of Financial Position  
Financial Results 2019 extract from the signed  
Financial Statements for the year ended 30 June 2019

	2019	2018	Note
<b>Current assets</b>			
Cash and cash equivalents	7,790	6,237	1
Trade and other receivables	910	1,692	2
Current tax receivables	1,470	942	3
Other current assets	1,830	1,730	4
<b>Total current assets</b>	<b>12,000</b>	<b>10,601</b>	
<b>Non-current assets</b>			
Property, plant and equipment	16,979	13,850	5
Intangible assets	153	153	6
Investment properties	281,400	242,900	7
Other non-current assets	12,932	13,429	8
Total non-current assets	311,464	270,332	
<b>Total assets</b>	<b>323,464</b>	<b>280,933</b>	
<b>Current liabilities</b>			
Trade and other payables	9,138	7,330	9
Borrowings	45,192	-	10
Deferred revenue	6,796	6,867	11
Derivative financial instruments	777	-	12
Provisions	209	163	13
<b>Total current liabilities</b>	<b>62,112</b>	<b>14,360</b>	
<b>Non-current liabilities</b>			
Other payables	13,421	13,959	14
Borrowings	-	46,392	15
Derivative financial instruments	260	-	16
Deferred tax liabilities	26,571	17,221	17
Provisions	985	776	18
Total non-current liabilities	41,237	78,348	
<b>Total liabilities</b>	<b>103,349</b>	<b>92,708</b>	
<b>Net assets</b>	<b>220,115</b>	<b>188,225</b>	
Contributed equity	10,187	10,187	
Other Reserves	(1,037)	-	
Retained earnings	210,965	178,038	
<b>Total equity</b>	<b>220,115</b>	<b>188,225</b>	

Statement of Cash Flows  
Financial Results 2019 extract from the signed  
Financial Statements for the year ended 30 June 2019

	2019	2018	Note
<b>Cash flow from operating activities</b>			
Receipts from customers	49,376	43,525	1
Payments to suppliers and employees	(40,145)	(35,072)	2
	<b>9,231</b>	<b>8,453</b>	
Interest received	22	12	
Interest and other costs of finance paid	(1,854)	(1,912)	3
Income taxes paid	(1,709)	(421)	4
<b>Net cash inflow from operating activities</b>	<b>9,324</b>	<b>6,132</b>	
<b>Cash flows from investing activities</b>			
Payments to acquire a business	-	(153)	5
Payments for property, plant and equipment	(5,773)	(7,661)	6
Payments for investment property improvements	(598)	(1,175)	7
<b>Net cash (outflow) from investing activities</b>	<b>(6,371)</b>	<b>(8,989)</b>	
<b>Cash flows from financing activities</b>			
Proceeds from borrowings/(payments) of borrowings	(1,200)	1,900	8
Dividend Paid to Victorian Bar	(200)	(550)	
<b>Net cash (outflow) inflow from financing activities</b>	<b>(1,400)</b>	<b>1,350</b>	
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,553</b>	<b>(1,507)</b>	
Cash and cash equivalents at the beginning of the financial year	6,237	7,744	
<b>Cash and cash equivalents at the end of the financial year</b>	<b>7,790</b>	<b>6,237</b>	

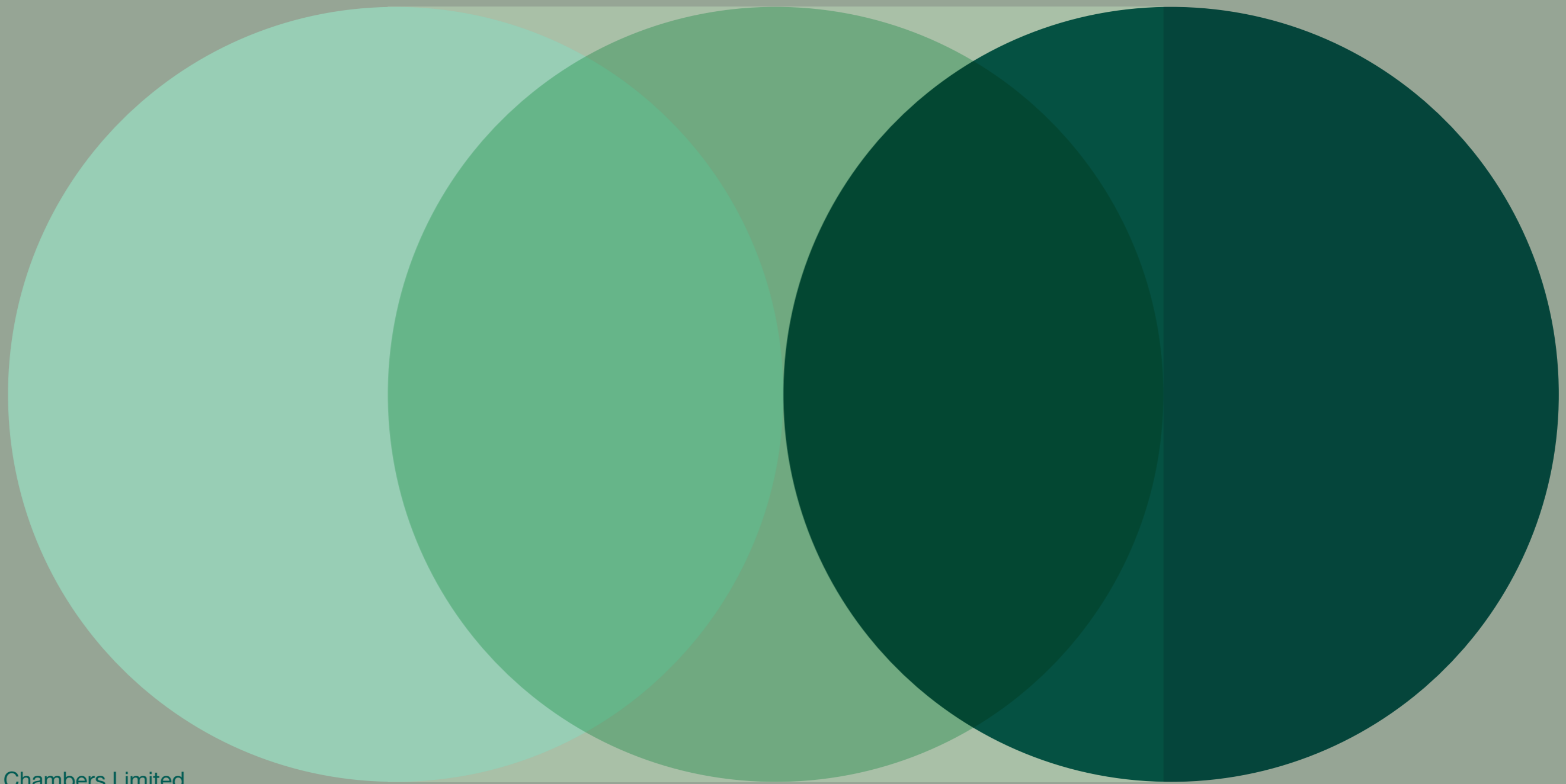
**Statement of Financial Position**

- Increase due to higher prepaid chamber rent received during June 2019.
- Down as a result of improved payment of chamber rent when due.
- Increase the result of prior years tax losses.
- Represents the value of lease incentives to be utilised in the next 12 months. Offset by equal amount included in current liabilities (note 9).
- Increase related to further fit-outs, building works and IT infrastructure spent during the course of the year.
- Setup costs of Opus serviced offices business.
- Market value of Douglas Menzies, Owen Dixon West and Owen Dixon East properties.
- Represents the value of lease incentives to be utilised in future years beyond the next 12 months. Offset by equal amount included in non current liabilities (note 14).
- Trade creditors and lease incentives (refer note 4).
- Reduction in borrowings due to repayments during the year. Reclassified to current as facility matures during May 2020 (see note 15).
- Prepaid revenue.
- Interest rate hedge contract amounts owing as at 30 June for the next 12 months based on year end interest rates.
- Employee entitlements owed as at year end.
- Trade creditors and lease incentives (refer note 8).

- Reduction in borrowings due to repayments during the year. Reclassified to current as facility matures during May 2020 (see note 10).
- Interest rate hedge contract amounts owing as at 30 June beyond the next 12 months based on year end interest rates.
- Recognition of potential tax payable resulting from revaluations.
- Progressive recognition of costs to make good leased properties. Full liability recognised by end of each lease.

**Statement of Cash Flows**

- Increase resulting from first full year of Opus revenue (\$2.3M) and new floors at Aicken and Castan (\$2.0M).
- Increase due to higher leasing costs (more space and rental reviews).
- Reduced finance costs the result of reduced debt and lower interest rates.
- Increased tax paid resulting from profits.
- Setup costs of Opus serviced offices business.
- Increase relates to further fit-outs and IT infrastructure spent during the course of the year.
- Increase relates to further investment in owned buildings.
- (Repayment) of debt in 2019 and draw down of debt in 2018.



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