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## About us



Unique in its model, there is nothing like BCL anywhere else in the world.

Established in 1959 as a wholly owned subsidiary of the Victorian Bar, the BCL model provides a broad range of chambers, technology and network services, a full service desk support and managed floor services to over 1,500 barristers across seven buildings within Melbourne's legal precinct.

By providing barristers with the opportunity to secure a variety of chambers on 30 day tenancies, BCL gives barristers the flexibility and opportunity to take up chambers with no entry cost and to move chambers as their practice needs evolve.

2020 has been an incredibly challenging year. BCL continued to adapt and be responsive on-site and remotely, responding to barrister enquiries, providing support and introducing new and improved technology services to enable members of the Bar to continue working remotely throughout the restrictions.



BCL provides a variety of chambers across 79 floors in seven buildings in the Melbourne CBD legal 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.

Throughout the financial year new floors were leased, numerous floors were refurbished and the number of barristers in BCL chambers continued to grow.

## Our Locations

Buildings within the court precinct



- 01. Owen Dixon Chambers East  
205 William Street, Melbourne
- 02. Owen Dixon Chambers West  
525 Lonsdale Street, Melbourne
- 03. Douglas Menzies Chambers  
180 William Street, Melbourne
- 04. Isaacs Chambers and  
The BCL Business Centre  
555 Lonsdale Street, Melbourne
- 05. Aickin Chambers  
200 Queen Street, Melbourne
- 06. Ninian Stephen Chambers  
140 William Street, Melbourne
- 07. Castan Chambers  
460 Lonsdale Street, Melbourne





In FY2020 we continued to focus on three core areas: property, technology and network services and improved service to barristers.

## Business Snapshot



Castan Chambers

	2019	2020
Buildings	7	7
Floors	77	79
Chambers	1,294	1,358
Occupancy Rate 98% Barristers in BCL chambers as a percentage of Victorian Bar members who take chambers 88%	1,427	1,569
Property asset value	\$281.4m	\$277.4m
Total investment into improving facilities and services	\$6.4m	\$7.6m
Revenue	\$44.2m	\$43.4m
Operating Profit Before Tax	\$5.7m	\$2.5m
COVID-19 Pandemic Rent Relief (April to June) approval of 991 applications		\$1.72m

## Chairman's Report

John Karkar QC



For BCL it was period where we had to provide as much support as we could, both financially and operationally.

The 2020 financial year started well as we continued to make significant investments into additional services, improved technology and better accommodation for the Bar. At the same time we focused on reducing operating expenses, improving our systems and processes and providing better service.

The coronavirus pandemic then had a significant impact and this has been an incredibly challenging time for the Bar, barristers and the Victorian justice system.

For BCL it was a period where we had to provide as much support as we could, both financially and operationally to the Bar without jeopardising the ongoing legacy of BCL and the important role it plays in the success of the Victorian Bar, both now and into the future.

BCL was contractually committed to a number of projects and once they were completed all major projects were deferred.

BCL has been able to continue to operate during the pandemic and in particular has been able to provide the necessary support and technology solutions as we work from home.

During the year there was one change to the BCL Board with Sam Hay QC replacing Lisa Nichols QC after her appointment to the Supreme Court.

### Financial commentary

BCL is run as a not for profit business. Any profit we make is reinvested back into the Bar. In FY2020 we invested \$7.6 million in improving chambers and providing additional services.

Financially it has been a very challenging year for everyone. The pandemic created an enormous amount of uncertainty with the restrictions and lockdown, the effective closure of the courts having a significant impact on the Bar and in turn on BCL.

BCL in response accessed all available government assistance and rent relief from landlords, reduced our costs, without compromising service to the Bar and carefully monitored our cash position.

We generated an Operating Profit before tax of \$2.5 million and a loss after tax of \$2.7 million. The difference between these two figures being the fall in the value of the BCL owned buildings which has been driven by the valuation uncertainty resulting from COVID-19. This fall in the operating profit from \$5.7 million during FY2019 to \$2.5 million for FY2020 is the result of rent relief provided for the April, May and June period of \$1.7 million and an increase in utilities, rates and land taxes.

The year saw BCL invest a further \$7.6 million (well in excess of operating profits generated) back into the Bar with significant property reinvestment and continued technology spend around improved services and security. This compares with the \$6.4 million reinvested back into the Bar during the 2019 financial year.

### Some notable achievements in FY2020:

- Committed to minor and major refurbishment works across BCL buildings.
- Secured two new floors at 460 Lonsdale Street, Castan Chambers and completed the build programme during the pandemic. These floors house 66 barristers in 55 Chambers.
- We welcomed over 60 barristers (and employees) to BCL with the majority from outside of BCL Chambers, Crockett, Brian Bourke, Chancery, Dawson and Stawell Chambers.
- Continued to complete the significant floor by floor Aickin Chambers refurbishment programme with another three floors completed in FY2020 with the final two floors to be completed in 2021.
- Completed the Owen Dixon Chambers West 36 bathroom upgrade programme on 18 floors.
- Completed many chamber subdivisions, upgrades and joinery improvements across many floors and buildings.
- The refurbishment completion and repositioning of Opus Workspaces the wholly owned serviced office business of BCL providing three floors of serviced offices to professional services.
- Commenced implementation of a new improved leasing management and finance system simplifying and improving the end to end chamber management and billing processes.



As the impacts of the pandemic hit Victoria, BCL also needed to adapt quickly and continue to work closely with members of the Bar. New and improved Technology Solutions and an increased reliance on video conferencing options enabled the bar to work remotely.

- We introduced and delivered new and improved Technology services and solutions to support the new ways of working remotely. This included migrating emails to Microsoft Office, improving cyber security processes and remote technology support.
- Developed and responded to the regulatory requirements with a rent relief response to provide financial support to barristers impacted by COVID-19. BCL has approved and provided rent relief assistance on 991 applications totalling \$1.72 Million (as at 30 June) and 1,471 applications totalling \$2.45 Million (to date as at 31 October).
- Implemented new COVID-19 processes and protocols to ensure a safe environment.
- The BCL team and service desks successfully remained operational providing support on site and remotely all throughout the pandemic and restrictions.

I wish to extend my sincere thanks to the members of the bar that have continued to pay their monthly rent and support the sustainability of the unique model BCL has been for some 60 years.

We will continue to support the Bar throughout the challenging year ahead.

**John Karkar QC**

The year saw BCL invest a further \$7.6 million (well in excess of operating profits generated) back into the Bar with significant property reinvestment and continued technology spend around improved services and security.

Castan Chambers





Owen Dixon Chambers East

## Key Initiatives

A high performing team delivering a professional service, who are client focused, efficient, reliable and responsive whilst controlling the costs passed onto the Bar.

Over the past 12 months, BCL has worked to deliver a number of initiatives that improve efficiency, capability, and reduce costs, all while working to overcome the challenges of COVID-19 including:

- Securing two additional floors at Castan Chambers now housing 203 barristers (131 in FY2019) we now have 9 of the 10 floors.
- Delivering two new innovative floors yet respecting the history of the Bar and the way barristers wish to work and collaborate at 460 Lonsdale Street Castan Chambers. Providing a range of 55 Chambers across both floors as a home to 66 barristers awarded to members of the Crockett Chambers group and a non group floor as a BCL managed floor.
- Upgrade of 36 bathrooms on 18 floors at Owen Dixon Chambers West, worked closely with 450 barristers and staff to improve the overall base building amenity.
- Completing full refurbishment programme to three additional floors as part of the Aickin Chambers renewal project with the two final floors to be completed in 2020/2021.
- Service Desk support with two locations at Isaacs level 8, 555 Lonsdale Street and at the original home of the Bar, Owen Dixon Chambers East representing all BCL buildings and occupants.
- Improving the Service Desk processes and updated Chamber Management systems and processes.
- Chamber and Leasing Management finance improvements.
- Selected provider and commenced implementation of a new leasing management finance system to improve chamber management and billing processes, statements and invoicing for rent and overall services to members of the Bar and tenants.

**What we stand for and supporting members of the Bar with:**

### Our People

- A high performing team delivering a professional service, who are client focused, efficient, reliable and responsive whilst controlling the costs passed onto the Bar.

### Our Buildings

- Effective property strategy, management and growth of the BCL assets for the benefit of the Bar.
- Property specialist knowledge in managing and co-ordinating a range of maintenance, joinery, design, and fit out programmes while maintaining the integrity of the buildings to provide a range of chamber options, improving amenity and use of space to foster a collegiate environment for the Bar.
- A dedicated property team to support all tenants, barristers, employees and clerks.

### Technology and Network Solutions

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



**Throughout the year we have invested in improved Technology and Network Solutions and Services:**

- Technology Standards, Terms and Conditions approved by the Bar to ensure the most efficient, secure and cost effective solutions are available across all buildings, in chambers and remotely.
- An increase in the number of video conferencing rooms across many BCL floors with new and improved technology solutions continued.
- WiFi upgrades across the buildings.
- BCL assisting with a broader technology strategy for the Victoria Bar.
- Increased capacity on the Technology Service Desk on-site and remote to provide a more efficient responsive service.
- A dedicated programme in transferring all barristers from email housed on BCL servers to an improved Microsoft Office 365 email cloud solution, providing a more cost effective, secure and reliable service.
- The introduction of an increased product portfolio and technology network services to support the sudden shift enabling barristers working remotely due to the COVID-19 restrictions, video conferencing license options and many new self service solutions.
- New voice (telephone) mobility solutions, providing barristers the option to utilise their Vic Bar 9225 number on their mobile phone.

**As we continue to operate in our new COVID-19 normal throughout 2020 and 2021, the continued focus will include:**

- Effective Investment in Property and Technology solutions to support the new ways of working within Chambers and remotely.
- Ensure appropriate increase capacity and ensure chamber management availability for the Bar.
- Completion of the final two floors in Aickin Renewal programme – levels 29 and 31 in December and early 2021.
- Refurbishment and allocation of a new group or non-group floor on level 18 Aickin Chambers.
- Enhanced technology and networking solutions to deliver faster network connectivity.
- Research into new opportunities to provide desktop solutions that improve barrister experience and reduce the need for regular technical support.
- Extension of our product range of telephone services.

The introduction of an increased product portfolio and technology network services to support the sudden shift enabling barristers working remotely due to the COVID-19 restrictions, video conferencing license options and many new self service solutions.

Castan Chambers





Castan Chambers

## Our Services

Throughout the year, the BCL Service Desk continued to be the central point of contact improving response times and addressing enquiries immediately or within the same day. The dedicated team answers calls and emails supported by improved processes, redirecting enquiries and logging service requests. This one point of contact has allowed us to identify systemic issues, refine processes and improve service level delivery with faster resolution including BCL Chambers and access to chambers, BCL Finance, and the Technology Helpdesk.

The BCL website has also been improved and redesigned throughout the year to enable a much more intuitive site for barristers to find the services provided by BCL. The website provides one point of reference with improved navigation, auto-directed online forms and applications direct to email, access to the BCL service desk, paperless processes, provision of services and available suppliers, terms and conditions, and communications (BCL and the Victorian Bar) including COVID-19 safety in Chambers.

## FY2020 Statistics

### Service Desk

- Two fully staffed Service Desks at Isaacs Chambers and Owen Dixon Chambers East.
- With increased Service Desk resourcing, improved processes as the central point of contact to BCL has allowed faster resolution and prompt responses for two-thirds of enquiries addressed on the spot with one-third logged as a service request.
- 20,500 service calls to the BCL Service Desk in the year.
- 29,000 emails received in the year and increased significantly rather than calls during COVID-19.

### Chamber Management

- Occupancy remains high at 98% with an increased number of sharers.
- Full end to end chamber management, assisting barristers and the floors in the co-ordination of moving in and out of Chambers.

### Property

- 3,543 property and maintenance requests.
- 74% resolved the same day up a further 18% (56% in FY2019).
- Recurrent chamber preparations, relocation support, joinery alterations and installations, access requests, chamber move signage and regulatory compliance across all BCL properties
- Implementation of COVID-19 Safety Management Plans across all BCL properties.

### Technology & Network Services

- 8,600 technology requests to the help desk logged
- 560 telephone service requests logged.
- 78% resolved the same day.
- Facilitated over 3 million telephone calls
- 50 million email messages processed.
- 46% suspect emails inbound and outbound blocked with a 30% improvement due to the new password policy.
- 40,000 impersonation attempts blocked (up 20,000 2019) scammers are getting smarter.

### BCL Managed Floor Practice Support Services (PSS)

- Nine Floors across BCL buildings are managed by BCL employees through the managed floor services.
- 12 BCL employees manage a floor budget, provide para legal, administration and secretarial support to approximately 250 barristers in Chambers.



## Our Board Members



**John 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)



**Samuel Hay QC**  
BA, LLM



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



**Mick Brennan**  
B Com, CA



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

## Financial Statements

### Statement of Comprehensive Income

Our operating profit before tax fell from \$5.7 million to \$2.5 million in FY2020. The fall in profit was driven by us providing \$1.7 million in rent relief, increasing bad and doubtful debts by almost \$1 million, increasing the provision for make good on leased buildings by \$1.6 million and increases in rent, land tax and electricity and gas prices. We continue to review all our expenses with all major expenses and contracts put out to competitive tender. Most of our costs (rent, interest, insurance, technology service costs) are fixed. We had to continue to pay these contracted costs even though the Bar were not in chambers.

### Statement of Financial Position

Our net assets fell during FY2020 due to the reduction in the value of properties by \$4 million. We had increased cash on hand the end of FY2020 but this was mainly due to the large number of barristers who prepaid their rent for FY2021. These funds are refundable if the barristers decide to leave chambers.

### Statement of Cash Flows

During FY2020 we generated cash flow of \$10.2 million. \$7.6 million was reinvested into providing services to the Bar mainly through property improvements. During the year we invested in two new floors at Castan, completed three floors at Aickin and completed the refurbishment of the West bathrooms.

	2020	2019		Note
<b>Revenue</b>	43,399	44,178	(779)	1
Employee benefits expense	(4,265)	(3,911)	(354)	2
Depreciation and amortisation expense	(14,923)	(2,575)	(12,348)	3
Lease expenses	0	(14,921)	14,921	4
Utilities and Taxes	(3,133)	(2,870)	(263)	5
General expenses	(6,810)	(4,669)	(2,141)	6
Building management expenses	(7,276)	(6,515)	(761)	7
Technology expenses	(1,250)	(1,134)	(116)	8
Finance expenses	(3,241)	(1,847)	(1,394)	9
<b>Operating profit before tax</b>	<b>2,501</b>	<b>5,736</b>	<b>(3,235)</b>	
Gain on revaluation of investment properties	(6,248)	37,903	(44,151)	10
Fair value gain (loss) on interest rate hedges	413	(1,037)	1,450	11
Income tax expense	633	(10,512)	11,145	
<b>Profit (loss) after income tax</b>	<b>(2,701)</b>	<b>32,090</b>	<b>(34,791)</b>	

### Statement of Comprehensive Income Notes

- Fall in revenue due to rent relief provided (\$1.72m).
- Full year effect of restructured workforce. No Full Time Equivalent (FTE) increase compared to the 2019 financial year.
- Due to a change in accounting standards (AASB16) Depreciation now includes the reduction in the capitalised value of the leases (FY2020 \$12,381). Depreciation of all other items \$2,542 (FY2019 \$2,575).
- Due to a change in accounting standards (AASB16) lease expenditure is recognised via the reduction (depreciation) in the capitalised value of the leases (FY2020 \$12,381). Cash expenditure on lease expenses during the year however totalled \$11.490 million.
- Increased Land Tax across the owned property portfolio.
- Increase in provision for bad and doubtful debts as a result of COVID-19 (\$972k) and make good (\$1.6m) offset by other operational savings \$430k.
- Outgoings expenses on leased properties increased \$490k (Land Tax), general repairs and maintenance increases \$270k.
- Increase the result of various Technology projects including further security upgrades, cloud services and improved internet services.
- Due to a change in accounting standards (AASB16) the implied interest cost of the leases (\$1.533m) in now expensed. Debt related finance costs totalled \$1.708m (FY19 \$1.847m).
- Valuation fall of 1.5% (\$6.248m) reflecting the reduced growth forecast for the BCL portfolio. Capitalisation rates remain unchanged to prior year.
- Recognition of movement in interest rates and shortening length of remaining fixed hedge contract. At 30 June BCL's fixed rate contracts were below market rates of debt.



## Statement of Financial Position

Financial Results 2020 extract from the audited  
Financial Statements for the year ended 30 June 2020

	2020	2019	Note
<b>Current assets</b>			
Cash and cash equivalents	10,204	7,790	1
Trade and other receivables	1,810	910	2
Current tax receivables	-	1,470	3
<b>Total current assets</b>	<b>12,014</b>	<b>10,170</b>	
<b>Non-current assets</b>			
Property, plant and equipment	36,232	31,741	4
Intangible assets	153	153	5
Right-of-use asset	70,659	-	6
Investment properties	277,400	281,400	7
<b>Total non-current assets</b>	<b>384,444</b>	<b>313,294</b>	
<b>Total assets</b>	<b>396,458</b>	<b>323,464</b>	
<b>Current liabilities</b>			
Trade and other payables	3,765	9,138	8
Borrowings	-	45,192	9
Lease Liabilities	12,033	-	10
Deferred revenue	6,177	6,796	11
Derivative financial instruments	340	777	12
Provisions	817	209	13
Tax Liability	1,583	-	14
<b>Total current liabilities</b>	<b>24,715</b>	<b>62,112</b>	
<b>Non-current liabilities</b>			
Trade and other payables	447	13,421	15
Borrowings	45,000	-	16
Lease Liability	81,009	-	17
Derivative financial instruments	285	260	18
Deferred tax liabilities	24,340	26,571	19
Provisions	3,248	985	20
<b>Total non-current liabilities</b>	<b>154,329</b>	<b>41,237</b>	
<b>Total liabilities</b>	<b>179,044</b>	<b>103,349</b>	
<b>Net assets</b>	<b>217,414</b>	<b>220,115</b>	
Contributed equity	10,187	10,187	
Other Reserves	(624)	(1,037)	21
Retained earnings	207,851	210,965	22
<b>Total equity</b>	<b>217,414</b>	<b>220,115</b>	

## Statement of Cash Flows

Financial Results 2020 extract from the audited  
Financial Statements for the year ended 30 June 2020

	2020	2019	Note
<b>Cash flow from operating activities</b>			
Receipts from customers	46,128	49,376	1
Payments to suppliers and employees	(34,162)	(36,511)	2
	<b>11,966</b>	<b>12,865</b>	
Interest received	7	22	
Interest and other costs of finance paid	(3,241)	(1,854)	3
Income taxes paid	1,453	(1,709)	4
<b>Net cash inflow from operating activities</b>	<b>10,185</b>	<b>9,324</b>	
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment	(4,833)	(5,773)	5
Payments for investment property improvements	(2,746)	(598)	6
<b>Net cash (outflow) from investing activities</b>	<b>(7,579)</b>	<b>(6,371)</b>	
<b>Cash flows from financing activities</b>			
Proceeds from borrowings	(192)	(1,200)	7
Dividend Paid to Victorian Bar	-	(200)	
<b>Net cash (inflow) from financing activities</b>	<b>(192)</b>	<b>(1,400)</b>	
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>2,414</b>	<b>1,553</b>	
Cash and cash equivalents at the beginning of the financial year	7,790	6,237	
<b>Cash and cash equivalents at the end of the financial year</b>	<b>10,204</b>	<b>7,790</b>	<b>8</b>

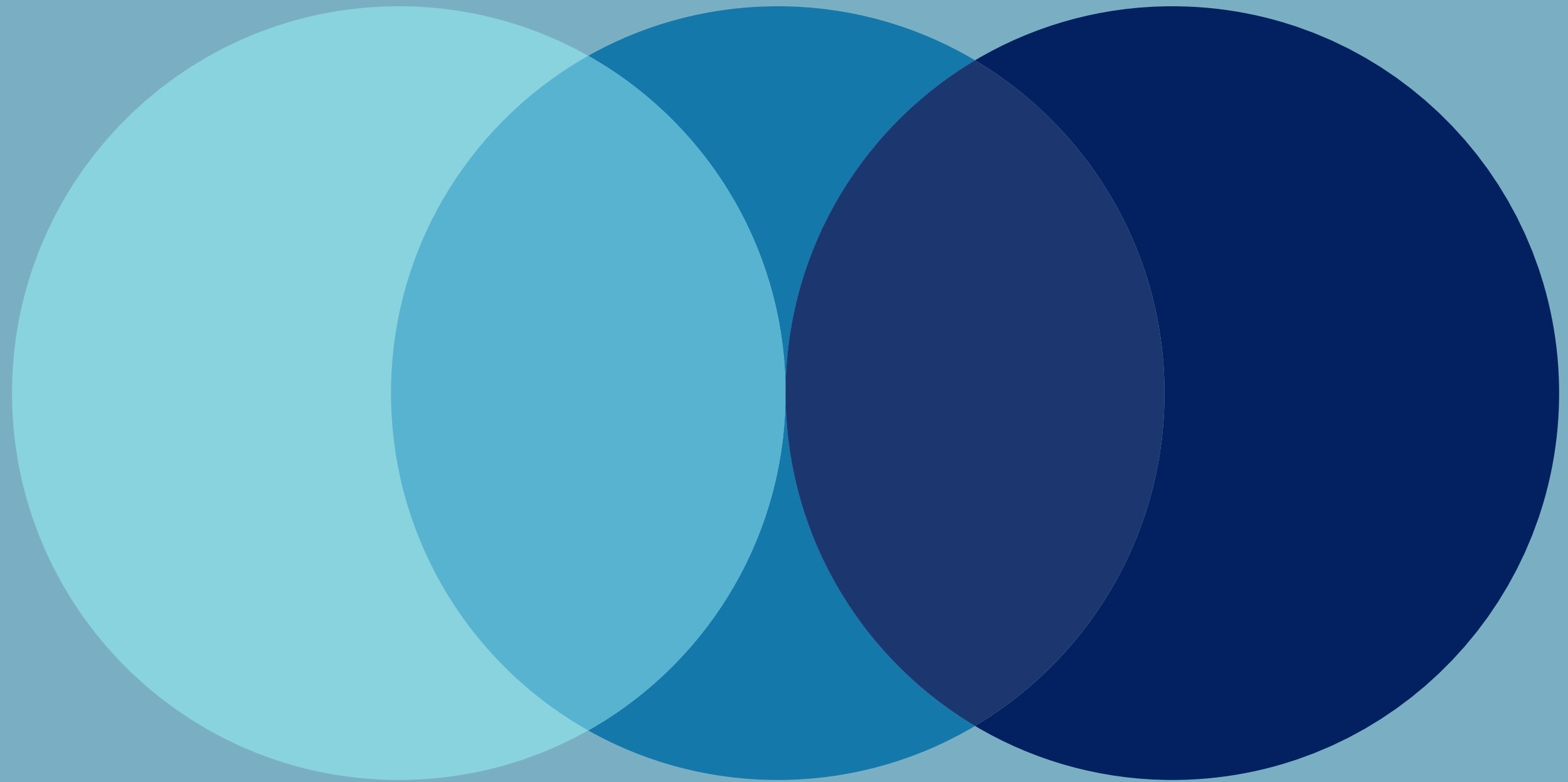
### Statement of Financial Position Notes

- Increase due to reduced cash expenses, no debt reduction and delayed payment of company tax (COVID-19 relief)
- Receivables increasing as a result of the impact of COVID-19.
- No prepaid tax items existing as at 30 June FY2020 (FY2019 \$1.470m).
- Increase relates to further fit-outs, building works and IT infrastructure spent during the course of the year.
- Setup costs of Opus serviced office business.
- Capitalised value of the external leases BCL has entered into at Castan, Ninian Stephen, Aickin and Isaacs chambers (introduced in FY2020 as a result of accounting standard AASB16).
- Market value of Douglas Menzies, Owen Dixon West and Owen Dixon East properties.
- Trade creditors reduced at 30 June FY2020 compared to FY2019.
- Debt facilities renewed until May 2023 and classed as non-current as at 30 June FY2020 (see note 17).
- Value of lease liability recognised under new accounting standard (AASB16) for the 12 months ending June FY2021.
- 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.
- Tax Liability as at 30m June FY2020. Prior tax receivable as company tax was prepaid. COVID-19 provisions have allowed for no prepayment of company tax.
- FY2020 other trade payable only recognised as lease incentives now recognised as a reduction in the right of use asset (see note 7).
- Debt facilities renewed until May 2023 and classed as non-current as at 30 June FY2020 (see note 10).

- Value of lease liability recognised under new accounting standard (AASB16) for the period beyond 30 June FY2021.
- 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.
- Refer to note 11 of the Profit and Loss for movement details.
- Reduction compared to FY2019 resulting from FY2020 loss.

### Statement of Cash Flows Notes

- Decrease the result of the negative impacts from COVID-19.
- Includes \$9.957m payments for leases.
- Increase relates to interest recognised in BCL Lease Contracts of \$1.5 million (AASB16 requirement).
- Temporary refund of tax paid during FY2020. COVID-19 government assistance.
- Reduced capital expenditure during FY2020 due to the uncertainty resulting from COVID-19.
- Increase related to contracted works during FY2020.
- Repayment of Debt. Reduced compared to FY2019 to preserve BCL cash reserves.
- Closing cash maintained as working capital during FY2020.



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