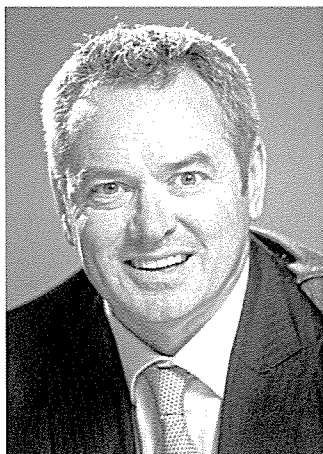




New Zealand Law Society

REPORT ON THE EXERCISE OF REGULATORY FUNCTIONS AND POWERS
FOR THE YEAR TO 30 JUNE 2011

Presented to the House of Representatives pursuant to Section 76 of the
Lawyers and Conveyancers Act 2006



Jonathan Temm
NZLS President



Andrew Gilchrist
NZLS Vice-President
(Auckland)



Bruce Gilmore
NZLS Vice-President
(North Island)



Mary Jeffcoat
NZLS Vice-President
(Wellington)



Anne Stevens
NZLS Vice-President
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INTRODUCTION

Under section 76 of the Lawyers and Conveyancers Act 2006 (the Act), the New Zealand Law Society (the NZLS) is required to report on the exercise of its regulatory functions and powers during each year ending on 30 June. This is the report for the year to 30 June 2011.

The NZLS regulatory functions are as set out in section 65 of the Act, ie -

- to control and regulate the practice of the profession of law;
- to uphold the fundamental obligations imposed on lawyers;
- to monitor and enforce the provisions of the Act and regulations and rules made under it;
- to assist and promote the reform of the law.

The NZLS regulatory powers are contained in section 67 of the Act.

CONSTITUTION

The NZLS is required by section 70 of the Act to have a Constitution providing for a Council, membership, general meetings, voting, officers, Executive Board and Executive Director.

The Constitution made on 10 July 2008 and duly registered with the Registrar of Companies as required by section 71 of the Act has remained unchanged.

The NZLS Council continues to consist of the President, four Vice-Presidents, a representative of each branch, the chair of each NZLS section (Corporate Lawyers' Association, Family Law and Property Law), the President of the New Zealand Bar Association and a representative of the Large Firm Corporation.

Individuals on the Council:

<i>President:</i>	Jonathan Temm
<i>Vice-Presidents:</i>	Andrew Gilchrist (<i>Auckland</i>), Bruce Gilmour (<i>North Island</i>), Mary Jeffcoat (<i>Wellington</i>), Anne Stevens (<i>South Island</i>)
<i>Branch Representatives:</i>	Chris Moore (<i>Auckland</i>), Allister Davis (<i>Canterbury-Westland</i>), Alistair Clarke (<i>Gisborne</i>), Jonathan Krebs (<i>Hawke's Bay</i>), Chris Robertson (<i>Manawatu</i>), Bryony Millar (<i>Marlborough</i>), John Fitchett (<i>Nelson</i>), Debbie Ericsson (<i>Otago</i>), Tegs Burt (<i>Southland</i>), Rajan Rai (<i>Taranaki</i>), Bruce Hesketh (<i>Waikato Bay of Plenty</i>), John Unsworth (<i>Wanganui</i>), Nerissa Barber (<i>Wellington</i>)
<i>Sections:</i>	Jeremy Valentine (<i>Chair, Corporate Lawyers' Association of New Zealand</i>) Antony Mahon (<i>Chair, Family Law Section</i>) Chris Moore (<i>Chair, Property Law Section</i>)
<i>Other Representatives:</i>	Miriam Dean QC (<i>New Zealand Bar Association</i>) David Simcock (<i>Large Firm Corporation</i>)

The Executive Board (the Board) comprises the President and the four Vice-Presidents.

Christine Grice is the Executive Director.

REGULATIONS AND PRACTICE RULES

There has been no change to the regulations and rules in the year to 30 June 2011. The NZLS is, however, in consultation with the Ministry of Justice on further amendments to the Lawyers and Conveyancers Act (Lawyers: Practice Rules) Amendment Regulations 2010 in relation to lawyers wishing to practise on their own account following on from amendments made on 31 May 2010 relating to competency and professional development.

ADMISSION AND ENROLMENT OF LAWYERS

Pursuant to the Lawyers and Conveyancers Act (Lawyers: Admission) Rules 2008, the NZLS must respond to applications for certificates of character from people seeking admission under section 49(2) or (3) of the Act. From 1 July 2010 to 30 June 2011, 840 certificates of character were issued, 537 candidates were admitted to the High Court.

In addition there were 14 admissions pursuant to the Trans Tasman Mutual Recognition Act 1997.

ISSUE OF PRACTISING CERTIFICATES

As at 30 June 2011 there were 11672 current practising certificates. Of those, 1603 were holding barristers' certificates and 10069 barristers and solicitors' certificates.

Renewal of practising certificates for the full year from 1 July 2011 to 30 June 2012 commenced in May 2011 with 11326 renewal invoices being created.

FITNESS FOR PRACTICE

For the year to 30 June 2011, a National Fitness for Practice Committee considered the following applications:

- 16 for certificates of character for admission
- 2 for new practising certificates
- 17 for renewal of practising certificates (5 additional applications were noted)
- 18 for practising on own account as a barrister and solicitor
- 9 for practising as a barrister on own account.

From 1 July 2010 following an amendment to the Lawyers and Conveyancers Act (Lawyers: Practice Rules) Amendment Regulations 2010 the NZLS applied a special circumstances discretion for applications to practise on own account in relation to the required 3 years legal experience in New Zealand during the previous 5 years. Twenty three applications were considered under this provision from those wanting to practise as barristers and solicitors on own account and 13 from barristers wishing to practise on own account.

The Committee makes recommendations for consideration by the Board.

Of those applications declined by the Board, 3 lawyers applied to the High Court for certificates of character and 1 applied for approval to practise on own account. Of these 1 certificate of character was granted by the Court, one was declined and one was withdrawn. The application to practise on own account was adjourned part heard.

REGISTER OF HOLDERS OF PRACTISING CERTIFICATES

As part of the exercise of its regulatory functions under the Act and in accordance with its powers, the NZLS has a register of people who hold practising certificates as barristers or as barristers and solicitors. The register facilitates the administration of a central database of all lawyers and matters associated with practice, including the issuing of practising certificates, collecting fees, levies and subscriptions, handling applications for certificates of character or standing, approving practice on own account, and trust account information.

MODES OF PRACTICE

The lawyers holding practising certificates as at 30 June 2011 are recorded as practising in the following areas:

	%
Private practice (barristers and solicitors)	63.89
Private practice (barristers)	12.97
Government lawyers	11.14
Corporate lawyers	8.76
Professional/trade association	0.85
Academic	0.35
Other	2.04

Some 3545 lawyers were practising on their own account as barristers and solicitors and 1513 on their own account as barristers sole.

PRACTISING FEES, LEVIES AND CONTRIBUTIONS

The following fees, levies and contributions were set by the NZLS Council for the 2010/2011 practising fee year with (in the case of the practising fee and Lawyers' Fidelity Fund contribution) the approval of the Minister of Justice:

	<i>\$ excluding GST</i>
Practising fee	1130
NZ Council of Legal Education levy	20
Legal Complaints Review Officer levy	70
Total for barristers and employed lawyers	<u>1220</u>
Inspectorate fee	385
Total for barristers and solicitors practising on their own account without a trust account	<u>1605</u>
Lawyers' Fidelity Fund contribution	320
Total for barristers and solicitors practising on their own account with a trust account	<u>1925</u>

COMPLAINTS AND DISCIPLINE

Part 7 of the Act provides a framework in relation to complaints and discipline. The framework is one within which there may be expeditious processing and resolution of complaints, as well as hearing and determination of disciplinary charges.

Complaints service

The Lawyers Complaints Service was established under regulation 6 of the Lawyers and Conveyancers Act (Lawyers: Complaints Service and Standards Committees) Regulations 2008 ("CS Regulations").

As required by CS Regulation 6(3), the NZLS provides an 0800 telephone line dedicated to receiving and responding to inquiries concerning complaints and the complaints service. Approximately 70 calls per week have been made through that line.

The NZLS has attended to the publication of information about the complaints service in accordance with the requirements of regulation 7 of the CS Regulations.

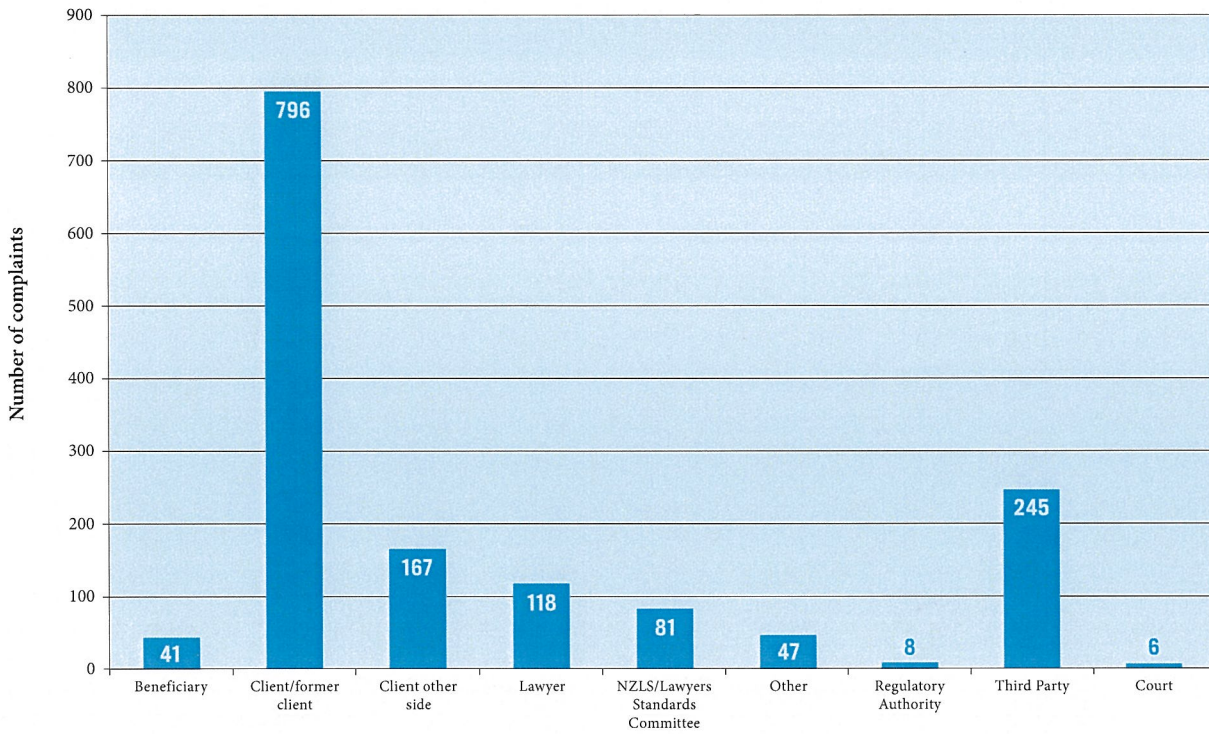
The following information on the outcomes and performance of the complaints service is provided pursuant to the requirements of CS Regulation 11 as follows:

Complaints open as at 30.6.10	702
Complaints received 1.7.10 to 30.6.11	1509
- against lawyers	1419
- " former lawyers	47
- " non-lawyer employees	23
- " incorporated law firms	14
- " former non-lawyer employees	6
- " former incorporated law firm	0
	1509
Complaints where a decision to take no action was made	1144
Complaints referred to and resolved by negotiation, conciliation or mediation	26
Complaints withdrawn, discontinued or settled	46
Complaints where Orders were made by a Lawyers Standards Committee pursuant to Section 156 or 157 of the Act	145
Complaints where decision made to refer matter to the Tribunal under section 152(2)(a) of the Act	35
Complaints outstanding as at 30 June 2011	820
Complaints closed between 1.7.10 and 30.6.11	1403
Orders by Lawyers Standards Committees for publication of lawyer's name	12
Orders by Lawyers Standards Committees for publication of facts of complaint	52

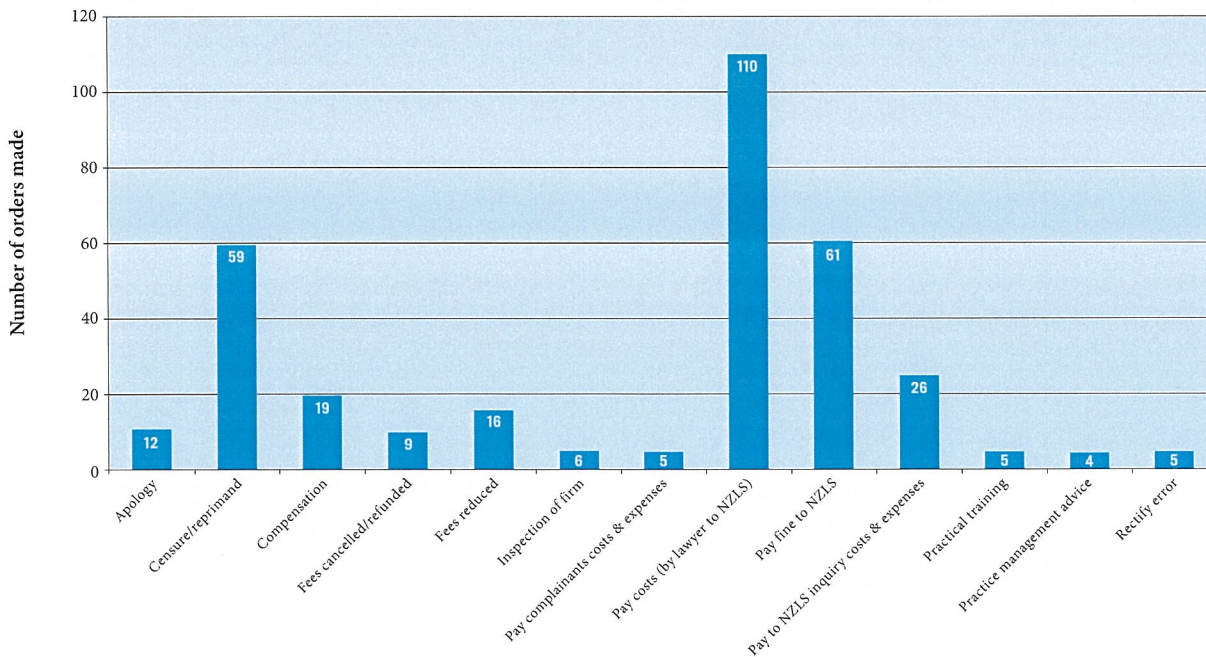
The average time taken to conclude complaints closed as at 30 June 2011 was 117 days.

The percentage of complaints concluded that resulted in no action was 81.5%.

Source of Complaints for year to 30 June 2011

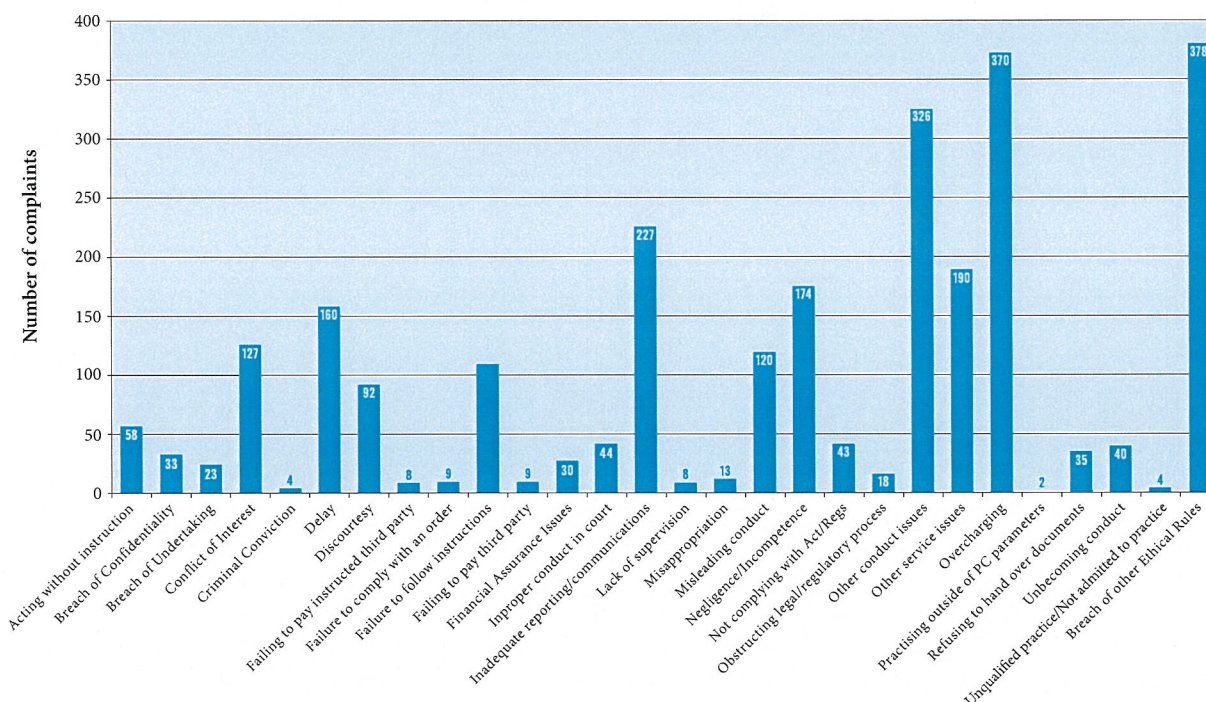


Orders made for year to 30 June 2011



(Note: More than one order might be made per recorded complaint)

Nature of complaints for year to 30 June 2011



(Note: More than one type of complaint might be indicated per recorded complaint)

Lawyers Standards Committees

Regulation 12 of the CS Regulations established 18 regional, two national and 15 reserve committees. All the regional committees and one of the national committees had been declared by the Board to be Operational Standards Committees in accordance with regulation 12(2) at 30 June 2009. The Board made further appointments of lawyer members and lay members in accordance with the provisions of the CS Regulations following resignations and expiry of terms.

As at 30 June 2011 there were 21 operational standards committees appointed by the Board. Training was provided to Convenors and Deputy Convenors of the Standards Committees and staff in April 2011.

LEGAL COMPLAINTS REVIEW OFFICER (LCRO)

Ms Hanneke Bouchier was appointed as the new Legal Complaints Review Officer on 16 September 2010 and Mr Owen Vaughan as her deputy.

The LCRO consulted the NZLS about the proposed appointment of a second deputy. This would require an amendment to clause 3(1) of Schedule 3 of the Act.

The LCRO consulted the NZLS on the rate of the levy determined by the Minister of Justice in accordance with section 217 of the Act. The amount paid to the Ministry of Justice for 2010/11 was \$208,583 GST exclusive.

Quarterly meetings were held between the NZLS and the LCRO to discuss, in terms of section 192(c) of the Act, issues relating to the manner in which complaints are received and dealt with.

The NZLS applied to the LCRO under s 193 of the Act for a review of three decisions of Lawyers Standards Committees. Two of these decisions were overturned on review by the LCRO. The other is pending. The NZLS made submissions to the LCRO in relation to one application for review.

The LCRO is required by section 223 of the Act to report each year to the Minister of Justice and to the NZLS.

NEW ZEALAND LAWYERS AND CONVEYANCERS DISCIPLINARY TRIBUNAL (TRIBUNAL)

The terms of ten lawyer members of the Tribunal expired on 30 June 2011. Seven lawyer members were subsequently reappointed to the Tribunal by the Board for terms of three years and one lawyer member for one year. Two vacancies remain.

The terms of eleven lay members of the Tribunal expired on 30 June 2011. Following consultation by the Tribunal the Board supported the reappointment of those lay members for further three-year terms.

Payments of \$127,595 GST exclusive were made to the Crown Bank Account for reimbursement of expenditure in accordance with section 257 of the Act.

The Chairperson of the Disciplinary Tribunal is required by section 259 of the Act to report each year to the Minister of Justice and to the NZLS. The report must include details of both the number of determinations and the nature of the determinations made by the Disciplinary Tribunal in the period to which the report relates.

NEW ZEALAND COUNCIL OF LEGAL EDUCATION (NZCLE)

The NZCLE consulted the NZLS on its annual budget for funding purposes in accordance with section 276 of the Act.

A levy of \$20 (GST exclusive) was imposed on every practising lawyer under the authority of section 277 of the Act for the purpose of funding the NZCLE budget for 2011 of \$261,587 (GST exclusive).

The NZLS Council has power to nominate five people to be members of the NZCLE in accordance with section 282 of the Act. No nominations were required in the year under review. The Executive Director of the NZLS is a member of the NZCLE.

LAWYERS AND CONVEYANCERS SPECIAL FUND

The Lawyers and Conveyancers Special Fund ("the Special Fund") is vested in the NZLS and the New Zealand Society of Conveyancers ("NZSC") jointly and it is held by them in trust for the purposes specified in the Act.

Under sections 292(2) and 293 of the Act, the Special Fund is managed by the Management Committee of the Lawyers and Conveyancers Special Fund, comprising two people appointed by the NZLS and one person appointed by the NZSC, with one of the NZLS appointees appointed as chairperson. The appointees to the Management Committee remain unchanged.

The Special Fund received interest on solicitors' trust accounts and bank deposits totalling \$4.157 million. Administration expenses of \$27,923 including an audit fee were deducted before the balance was paid to the Legal Services Agency for the purpose of funding community law centres pursuant to section 298 of the Act.

FIDELITY FUNDS

Lawyers' Fidelity Fund

The Lawyers' Fidelity Fund was established by regulation 5 of the Lawyers and Conveyancers Act (Lawyers: Fidelity Fund) Regulations 2008, for the purpose described in section 304(a) of the Act. The Regulations also provide for the maintenance and management of this fund by the NZLS. In addition, the regulations set (by regulation 10) the minimum size of the fund and (by regulation 11) the sum of \$100,000 as the maximum amount payable to an individual claimant.

The purpose of the Lawyers' Fidelity Fund is to compensate, in whole or in part, people who suffer pecuniary loss in certain circumstances as set out in Part 10 of the Act - mainly theft of money or property entrusted to a lawyer or an agent of a lawyer.

Claims settled during 2010/11 totalled \$277,000. An amount of \$532,000 has been set aside to cover future payments of claims relating to known or suspected thefts.

Solicitors' Fidelity Guarantee Fund

The provisions of Part IX of the Law Practitioners Act 1982 which relate to the Solicitors' Fidelity Guarantee Fund remain in force until repealed - when section 370 of the Act comes into force. That will occur on the completion of the process of winding up of this fund as set out in section 367 of the Act.

The purpose of the Solicitor's Fidelity Guarantee Fund is to compensate people in relation to theft by a lawyer which was committed before 1 August 2008.

In terms of section 367(1) of the Act, the NZLS has not yet formed the opinion that all claims against this fund have been received and fully dealt with.

Claims settled during 2010/11 totalled \$236,000. An amount of \$595,000 has been set aside to cover future payments of claims relating to known or suspected thefts. Recoveries of funds for 2010/11 were \$nil.

COMPETENCY ASSURANCE AND PROFESSIONAL DEVELOPMENT

Competence and Professional Development

A new national course for lawyers wishing to practise on own account was developed and replaces the former Flying Start course from 1 July 2011. The new training programme, *Stepping Up: foundation for practising on own account* is a major part of the NZLS's competence and professional development programme. It involves 40-50 hours of preparatory work, attendance at a 3 day workshop and assessments. It is aimed at the better preparation of lawyers to run a law practice and involves a specific module on the Rules of Conduct and Client Care.

Mandatory Continuing Legal Education

To assist the NZLS in the development of a mandatory professional legal education programme, all lawyers have been asked to complete an information return recording the details of their recent engagement in professional legal education.

Regulations and Practice Rules

From 1 July 2010 barristers and barristers and solicitors applying to practise on their own account were required to have 3 years legal experience in New Zealand within the last 5 years. The new Regulations included a discretion that the Society could exercise if the applicant could demonstrate special circumstances.

The Society is working with the Ministry of Justice on further changes to the Practice Rules, including an amendment which would require lawyers who wish to apply to practise on own account as barristers to attend the *Stepping Up* programme.

FINANCIAL ASSURANCE SCHEME AND THE INSPECTORATE

The Financial Assurance Scheme was established in 1998 under the Solicitors Trust Accounting Regulations 1998 with the objective of protecting money entrusted to law practices. The NZLS has continued the Financial Assurance Scheme, in accordance with regulation 36(1) of the Lawyers and Conveyancers Act (Trust Account) Regulations 2008 ("the Trust Account Regulations").

The Financial Assurance Scheme includes an Inspectorate established and maintained in accordance with Part 5 of the Trust Account Regulations. The Inspectorate comprises a Wellington based manager and 8 inspectors who are located in Auckland (3), Hamilton (1), Wellington (2) and Christchurch (2). The inspectors are supported by one full time and one part time staff member.

The Inspectorate performs the functions as set out in regulation 25 of the Trust Account Regulations as follows:

- (a) Review lawyers' trust accounts (there being just over 1400 law practices operating trust accounts);
- (b) Ensure compliance by lawyers with sections 110-114 of the Act and with the Trust Account Regulations;
- (c) Conduct investigations of the affairs of practices and lawyers under Part 7 of the Trust Account Regulations;

- (d) Administer the Financial Assurance Scheme;
- (e) Assist in the education of lawyers and incorporated law firms and their staff in the matters to which the Trust Account Regulations relate.

In the discharge of these functions for the year to 30 June 2011 the Inspectorate has:

- conducted 457 reviews of trust accounts;
- referred 40 reviews to local Lawyers Standards Committees. Seven were referred on to the Disciplinary Tribunal, 15 remain with the Standards Committees pending further action, 19 were ordered to improve in particular areas (including 9 orders relating to referrals from the previous year) and 8 required no further action;
- investigated the affairs of 13 practices. One resulted in a report to the New Zealand Police; four were referred to the Disciplinary Tribunal, and nine are held pending further inquiries;
- assisted with the preparation and delivery of several educational courses during the year, including Flying Start, Trust Account Supervisors and Trust Account Administrators courses. A contribution was made to the development of *Stepping Up*. Inspectors also delivered seminars on trust account related issues and wrote articles for publication to lawyers.
- assisted lawyers where individual advice was required.

ASSISTING AND PROMOTING THE REFORM OF THE LAW

This is the regulatory function set down in section 65(e) of the Act. The purposes are to uphold the rule of law and to facilitate the administration of justice.

The NZLS examined all Bills introduced to Parliament and made submissions on 32 Government Bills. It appeared before Select Committees on 18 of those Bills. The submissions were prepared by the voluntary contribution of members of the NZLS Law Reform Committee with assistance from specialist committees and sectional interest groups.

The specialist committees prepared submissions on three Law Commission documents and 44 submissions on discussion documents from Government departments and statutory bodies.

The NZLS representatives on the Rules Committee commented on a Rules Committee paper on reform of discovery including electronic discovery and inspection.

The NZLS Rule of Law Committee monitors instances of threats to the rule of law.

The NZLS Courthouse Committee provides assistance to the Ministry of Justice Courthouse Design Committee and monitors issues such as courthouse design and security.

LIBRARIES

Library assets, which were transferred from District Law Societies in February 2009 pursuant to sections 373 and 374 of the Act, continue to be held for the purposes of NZLS regulatory functions. The libraries are funded from practising fees under section 73 of the Act and charges for research services.

Long term contracts with the three main publishers, CCH, Thomson Reuters and LexisNexis now enable online access to a significant range of publications, through 35 kiosks for lawyers at NZLS locations and in the courts around New Zealand. Hard copy books and other reference material purchases continue to be updated and rationalised, with the core resource now being maintained at the main libraries in Auckland, Wellington and Christchurch. A research and document delivery services is provided by the main libraries to ensure that lawyers have ready access to a significant legal information resource.

The net cost of operating the libraries in 2010/11 was \$2.533 million.

MISCELLANEOUS STATISTICAL INFORMATION

Lawyers nominee companies

In the year to 30 June 2011, the NZLS has been requested to give written consent to the formation of one lawyers nominee company under rule 4.1 of the Lawyers and Conveyancers Act (Lawyers: Nominee Company) Rules 2008. The NZLS has approved the change of name of one lawyers nominee company under rule 5.1 of those Rules.

Real estate services

Under rule 16 of the Lawyers and Conveyancers Act (Lawyers: Conduct and Client Care) Rules 2008, 41 lawyers have notified the NZLS of intention to commence providing real estate services on a regular or systematic basis.

REVIEWS

Regulatory Review

In March 2011 the NZLS commenced an internal review of its regulatory functions. The objective is the development and implementation of opportunities for the improvement of regulatory performance.

Intervention rule

Under rule 14.5 of the Lawyers and Conveyancers Act (Lawyers: Conduct and Client Care) Rules 2008, the NZLS is required to review and determine whether to keep in force the intervention requirements by which a barrister sole must accept instructions only from a person who holds a practising certificate as a barrister and solicitor.

The NZLS was required to commence the review by 30 January 2010 and it did so by the establishment of a working group which has undertaken preliminary soundings. The working group has prepared a consultation paper for consideration by lawyers, the Ministry of Justice, the New Zealand Bar Association and others considered by the NZLS to have an interest in the matter. The consultation is continuing.

Indemnity

Under rule 5(1) of the Lawyers and Conveyancers Act (Lawyers: Indemnity) Rules 2008 the NZLS was required within two years from 1 August 2008 to consider and determine whether to require lawyers and incorporated law firms, or any class of them, to hold professional indemnity insurance.

As noted in last years report the determination made on 28 July 2010 was that cover not be required for lawyers, incorporated law firms, or any class of lawyers or incorporated law firms on a mandatory basis in the meantime, but that the issue should remain under review.

The Minister of Justice was advised of this consideration and determination. The NZLS understands that the Ministry of Justice is monitoring the situation and the Board has authorised the President and Executive Director to continue to explore options for future consideration.

FINANCIAL STATEMENTS FOR THE YEAR TO 30 JUNE 2011

As required by section 76(2) of the Act, financial statements included in this report are:

- (a) NZLS Regulatory – relating to the exercise of regulatory functions and powers aside from those covered in (b), (c), and (d) below
- (b) The Lawyers and Conveyancers Special Fund
- (c) The Lawyers' Fidelity Fund
- (d) The Solicitors' Fidelity Guarantee Fund.

Retained earnings accumulated in NZLS Regulatory have increased following less than expected expenditure on complaints and disciplinary matters. The increase was taken into account in the consideration of practising fees for the year commencing 1 July 2011.

NEW ZEALAND LAW SOCIETY - REGULATORY

Statement of Comprehensive Income – For the year ended 30 June 2011

	2011	2010
	\$	\$
Revenue		
Practising and other service fees	17,189	16,470
Interest income	497	406
Total revenue	17,686	16,876
Expenses		
Administration and library	15,674	16,082
Total expenses	15,674	16,082
Surplus before income tax	2,012	794
Income tax expense	149	111
Net surplus after income tax	1,863	683
Total comprehensive income for the year, net of tax	1,863	683

Statement of Financial Position – As at 30 June 2011

	2011	2010
	\$	\$
Assets		
<i>Current assets</i>		
Cash and cash equivalents	21,478	17,338
Trade and other receivables	510	445
Total current assets	21,988	17,783
<i>Non-current assets</i>		
Property, plant and equipment	2,386	2,137
Intangible assets	107	151
Total non-current assets	2,493	2,288
Total assets	24,481	20,071
Equity and liabilities		
<i>Current liabilities</i>		
Trade and other liabilities	19,974	17,434
Tax payable	64	57
Total current liabilities	20,038	17,491
<i>Equity</i>		
Retained earnings	4,443	2,580
Total equity	4,443	2,580
Total equity and liabilities	24,481	20,071

THE LAWYERS AND CONVEYANCERS SPECIAL FUND

Statement of Financial Performance – For the year ended 30 June 2011

	2011 \$	2010 \$
Revenue		
Interest on trust accounts	4,155,603	4,065,215
Interest on bank deposits	1,393	1,743
Total revenue	4,156,996	4,066,958
Expenses		
Administration	24,048	24,535
Audit fees	3,875	3,000
Legal Services Agency	4,129,073	4,039,423
Total expenses	4,156,996	4,066,958
Residual balance for the year	-	-

Statement of Financial Performance – For the year ended 30 June 2011

	2011 \$	2010 \$
Assets		
<i>Current assets</i>		
Cash at bank	742	967
Other receivables	342,605	330,218
Total current assets	343,347	331,185
Total assets	343,347	331,185
Equity and Liabilities		
<i>Current liabilities</i>		
Other payables	341,347	331,185
Payable to NZ Law Society Regulatory	2,000	-
Total current liabilities	343,347	331,185
<i>Equity</i>		
Retained earnings	-	-
Total equity	-	-
Total equity and liabilities	343,347	331,185

NEW ZEALAND LAW SOCIETY LAWYERS FIDELITY FUND

Statement of Financial Performance – For the year ended 30 June 2011

	2011	2010
	\$	\$
Revenue		
Annual contributions	988	974
Claim recoveries	36	-
Interest	140	87
Total revenue	1,164	1,061
Expenses		
Change in claims provision	571	238
Claims related costs	111	
Audit fee	2	2
Total expenses	684	240
Surplus before tax	480	821
Income tax expense	(45)	(29)
Surplus after tax	435	792

Statement of Financial Performance – For the year ended 30 June 2011

	2011	2010
	\$	\$
Assets		
<i>Current assets</i>		
Cash at bank	117	986
Bank deposits	2,500	1,870
Receivable from NZ Law Society Regulatory	965	32
Other receivables	81	21
Total current assets	3,663	2,909
Total assets	3,663	2,909
Equity and liabilities		
<i>Current liabilities</i>		
Income in advance	966	966
Claims Payable	532	238
Other payables	2	2
Income tax payable	26	1
Total current liabilities	1,526	1,207
<i>Equity</i>		
Retained earnings	2,137	1,702
Total equity	2,137	1,702
Total equity and liabilities	3,663	2,909

NEW ZEALAND LAW SOCIETY SOLICITORS' FIDELITY GUARANTEE FUND

Statement of Financial Performance – For the year ended 30 June 2011

	2011 \$	2010 \$
Revenue		
Interest	628	572
Claim recoveries	-	230
Total revenue	628	802
Expenses		
Change in claims provision	(261)	1,019
Investigation and other costs	48	46
Audit Fee	2	2
Administration	40	58
Total expenses	(171)	1,125
Surplus/(deficit) before tax	799	(323)
Income tax expense	(203)	(188)
Surplus/(deficit) after tax	596	(511)

Statement of Financial Position – As at 30 June 2011

	2011 \$	2010 \$
Assets		
<i>Current assets</i>		
Cash at bank	691	64
Bank deposits	11,340	11,840
Other receivables	287	305
Total current assets	12,318	12,209
Total assets	12,318	12,209
Equity and Liabilities		
<i>Current liabilities</i>		
Other payables	2	3
Payable to NZ Law Society Regulatory	3	1
Claims provision	595	1,091
Income tax payable	75	67
Total current liabilities	675	1,162
<i>Equity</i>		
Retained earnings	11,643	11,047
Total equity	11,643	11,047
Total equity and liabilities	12,318	12,209