



NEW ZEALAND LAW SOCIETY

REPORT ON THE EXERCISE
OF REGULATORY FUNCTIONS
AND POWERS FOR THE YEAR TO
30 JUNE 2015

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



NEW ZEALAND LAW SOCIETY BOARD

FROM LEFT: [John Unsworth](#) (*Vice-President, Central North Island*)
[Allister Davis](#) (*Vice-President, South Island*)
[Chris Moore](#) (*President*)
[Kathryn Beck](#) (*Vice-President, Auckland*)
[Mark Wilton](#) (*Vice-President, Wellington*)

CONTENTS

| | |
|--|----|
| Introduction | 2 |
| Constitution | 2 |
| Regulations and Practice Rules | 3 |
| Admission and Enrolment of Lawyers | 3 |
| Issue of Practising Certificates | 3 |
| Practice Approval Committees | 4 |
| Register of Holders of Practising Certificates | 5 |
| Modes of Practice | 5 |
| Practising Fees, Levies and Contributions | 6 |
| Complaints and Discipline | 6 |
| Legal Complaints Review Officer | 11 |
| New Zealand Lawyers and Conveyancers Disciplinary Tribunal | 11 |
| New Zealand Council of Legal Education | 11 |
| Lawyers and Conveyancers Special Fund | 12 |
| Fidelity Funds | 12 |
| Competence and Professional Development | 12 |
| Financial Assurance Scheme and the Inspectorate | 13 |
| Assisting and Promoting the Reform of the Law | 14 |
| Libraries | 15 |
| Miscellaneous Statistical Information | 15 |
| Reviews | 15 |
| Summary Financial Statements | 17 |

REPRINT: This report corrects errors in two tables in the original version. The corrected tables are identified. Two other errors have been corrected, on page 5 (solicitors and barristers practising on their own account) and page 14 (correct name of current legislative instrument).

INTRODUCTION

Under s 76 of the Lawyers and Conveyancers Act 2006 “the Act”, the New Zealand Law Society “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 2015. NZLS regulatory functions are as set out in s 65 of the Act, i.e.:

- 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.

NZLS regulatory powers are contained in s 67 of the Act.

CONSTITUTION

NZLS is required by s 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 s 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 (In-House Lawyers’ Association of New Zealand,* 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 are:

PRESIDENT: Chris Moore

VICE-PRESIDENTS:

AUCKLAND: Kathryn Beck

CENTRAL NORTH ISLAND: John Unsworth

WELLINGTON: Mark Wilton

SOUTH ISLAND: Allister Davis

BRANCH REPRESENTATIVES:

AUCKLAND: Tim Jones

CANTERBURY–WESTLAND: Colin Eason

GISBORNE: Tiana Epati

HAWKE’S BAY: Carol Hall (*Alison Souness from 19 May 2015*)

MANAWATU: Chris Robertson

MARLBOROUGH: Simon Gaines

NELSON: Rob Somerville

OTAGO: David Robinson (*Frazer Barton from 10 June 2015*)

SOUTHLAND: Bill Dawkins (*Toni Green from 27 March 2015*)

TARANAKI: Rajan Rai

WAIKATO BAY OF PLENTY: Kerry Burroughs

WHANGANUI: Mark Bullock

WELLINGTON: Nerissa Barber

SECTIONS:

IN-HOUSE LAWYERS’ ASSOCIATION OF NEW ZEALAND – PRESIDENT: Ian Hasell
(*Katie Elkin from 22 May 2015*)

FAMILY LAW SECTION – CHAIR: Allan Cooke

PROPERTY LAW SECTION – CHAIR: Andrew Logan (*Duncan Terris from 7 May 2015*)

* Previously Corporate Lawyers’ Association of New Zealand

OTHER REPRESENTATIVES:

NEW ZEALAND BAR ASSOCIATION – PRESIDENT: Stephen Mills QC (*Paul Mabey QC from 1 October 2014*)

LARGE FIRM CORPORATION – REPRESENTATIVE: Roger Partridge

The Executive Board “the Board” comprises the President and the four Vice-Presidents. Christine Grice is the Executive Director.

There were no changes to the regulations and rules in the year to 30 June 2015 apart from an amendment to Chapter 14 of the Lawyers and Conveyancers Act (Lawyers: Conduct and Client Care) Rules 2008 in relation to Chapter 14 and the intervention rule to take effect from 1 July 2015 (see page 15).

Pursuant to the Lawyers and Conveyancers Act (Lawyers: Admission) Rules 2008, NZLS must respond to applications for certificates of character from people seeking admission under s 49(2) or (3) of the Act.

From 1 July 2014 to 30 June 2015, there were 930 certificates of character issued. 955 candidates were admitted to the High Court, including 29 admissions pursuant to the Trans-Tasman Mutual Recognition Act 1997.

At its meeting on 28 August 2014 the Board resolved to enter into a new priority service with the Ministry of Justice to ensure every candidate for admission is subject to a criminal conviction history check. The new service provides a 5–8 working day turnaround. This came into force on 1 February 2015. At the same time the admission fee increased to \$253 (including GST) pursuant to s 62 of the Act following approval of the Minister of Justice.

As at 30 June 2015 there were 12,748 current practising certificates. Of those lawyers, 1,550 were holding barristers’ certificates and 11,198 barristers and solicitors’ certificates.

Renewal of practising certificates for the full year from 1 July 2015 to 30 June 2016 commenced in May 2015 with 12,559 renewal invoices being created and issued.

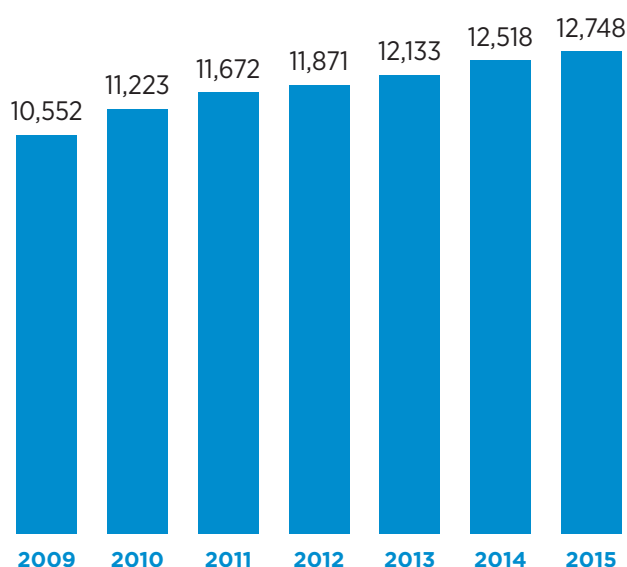
REGULATIONS AND PRACTICE RULES

ADMISSION AND ENROLMENT OF LAWYERS

ISSUE OF PRACTISING CERTIFICATES

LAWYERS WITH PRACTISING CERTIFICATES

(As at 30 June each year)



PRACTICE APPROVAL COMMITTEES

The Practice Approval Committees have delegated authority from the Council and Board to consider, investigate and finally decide “non-standard” applications relating to practice issues.

For the year to 30 June 2015 the two Committees considered the following applications:

- 23 applications for certificates of character for admission
- 10 applications for new practising certificates
- 8 applications for renewal of practising certificates¹
- 11 applications for practising on own account as a barrister and solicitor or barrister (normal circumstances)
- 28 applications for practising on own account as a barrister and solicitor or barrister (under “special circumstances”)
- 2 applications for recommencing practice on own account (s 31)
- 5 applications for consent for operation of power of attorney when practitioner suspended (Schedule 1 clauses 7(e) & 8(e))
- 1 application for consent for operation of power of attorney when practitioner struck off (Schedule 1 clauses 7(g) & 8(g))
- 1 application for an exemption under rule 20 of the Trust Account Regulations
- 1 application regarding consent to employ suspended practitioner
- 4 applications regarding other miscellaneous practice issues

A number of applications were considered more than once.

Of the above applications considered by the Committees 10 were declined. Of those declined one application for a practising certificate was appealed to the Disciplinary Tribunal under s 42 of the Act, one application for admission was filed in the High Court, and one application for leave to practise on own account was filed in the High Court, under s 30(3) of the Act.

- The application for admission was granted by the High Court.
- The appeal to the Disciplinary Tribunal regarding a practising certificate was dismissed with the Tribunal commenting on whether it had jurisdiction in the particular circumstances.
- The application for leave to practise on own account was granted subject to conditions.
- There is currently one application before the Disciplinary Tribunal for authorisation to practise on own account (s 242(1)(g) of the Act).
- An application for judicial review of a decision to refuse renewal of a practising certificate was withdrawn on 7 August 2014.

1. There are a number of applications for renewal of practising certificates where matters have been declared and are not yet referred to a Practice Approval Committee while investigations continue.

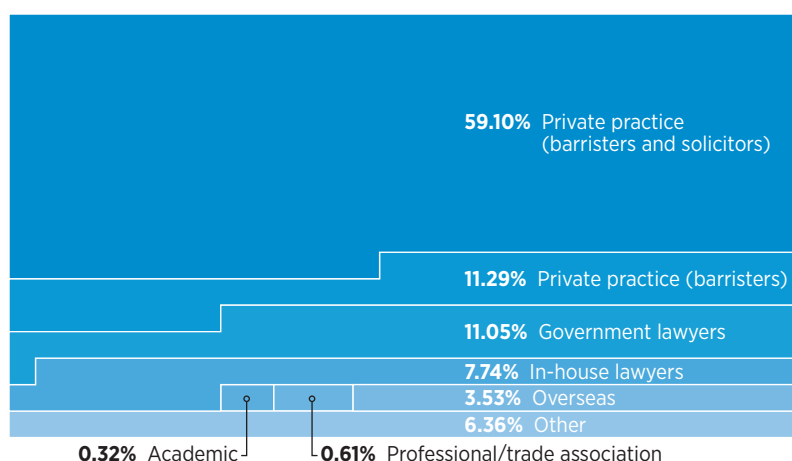
| Applications (1 July 2014 – 30 June 2015) | Approved | Declined | Withdrawn | Current |
|---|-----------------|-----------------|------------------|----------------|
| Certificates of Character | 15 | 4 | 2 | 2 |
| Practising Certificates | 6 | 1 | 1 | 2 |
| Renewal of Practising Certificates | 1 | 2 | – | 5 |
| Practice on Own Account (normal) | 8 | 2 | – | 1 |
| Practice on Own Account (special circumstances) | 26 | – | – | 2 |
| Recommence Practice on Own Account (s 31) | 2 | – | – | – |
| Change of Mode of Practice | – | – | – | – |
| Consent to operation of Power of Attorney <i>Pursuant to Schedule 1 clause 7(e) (Donor suspended)</i> | 3 | – | – | – |
| Consent to operation of Power of Attorney <i>Pursuant to Schedule 1 clause 8(e) (Donor suspended)</i> | 2 | – | – | – |
| Consent to operation of Power of Attorney <i>Pursuant to Schedule 1 clause 7(g) (Donor struck off)</i> | 1 | – | – | – |
| Consent to operation of Power of Attorney <i>Pursuant to Schedule 1 clause 8(g) (Donor struck off)</i> | – | – | – | – |
| TAS Exemption rule 20 | 1 | – | – | – |
| Employment of suspended practitioner ² | 1 | – | – | – |
| Review of Undertaking | 4 | – | – | – |

As part of the exercise of its regulatory functions under the Act and in accordance with its powers, 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.

REGISTER OF HOLDERS OF PRACTISING CERTIFICATES

The lawyers holding practising certificates as at 30 June 2015 are recorded as practising in the following areas:

MODES OF PRACTICE



Some 3689 lawyers were practising on their own account as barristers and solicitors and 1411 on their own account as barristers sole.

2. Practice Approval Committee consented to application subject to undertakings.

PRACTISING FEES, LEVIES AND CONTRIBUTIONS

The following fees, levies and contributions were set by the NZLS Council for the 2014/2015 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 | \$1,182 |
| NZ Council of Legal Education levy | \$25 |
| Legal Complaints Review Officer levy | \$75 |
| Total for barristers and employed lawyers | \$1,282 |
| | |
| Inspectorate fee | \$385 |
| Total for barristers and solicitors practising on their own account without a trust account | \$1,667 |
| | |
| Lawyers' Fidelity Fund contribution | \$320 |
| Total for barristers and solicitors practising on their own account with a trust account | \$1,987 |

COMPLAINTS AND DISCIPLINE

Complaints Service

Part 7 of the Act provides a framework for complaints and discipline. The framework is one which provides for expeditious processing and resolution of complaints, as well as hearing and determination of disciplinary charges.

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 the CS Regulation 6(3), NZLS provides an 0800 telephone line dedicated to receiving and responding to inquiries concerning complaints and the complaints service.

Calls to the 0800 telephone line cover a wide range of inquiries.

| | Total number of calls | Average calls per week |
|----------------------------------|------------------------------|-------------------------------|
| 11 months to 30 June 2009 (est.) | 2600 | 50 |
| 30 June 2010 | 3900 | 75 |
| 30 June 2011 | 3640 | 70 |
| 30 June 2012 | 3172 | 61 |
| 30 June 2013 | 2880 | 55 |
| 30 June 2014 | 3848 | 74 |
| 30 June 2015 | 3857 | 74 |

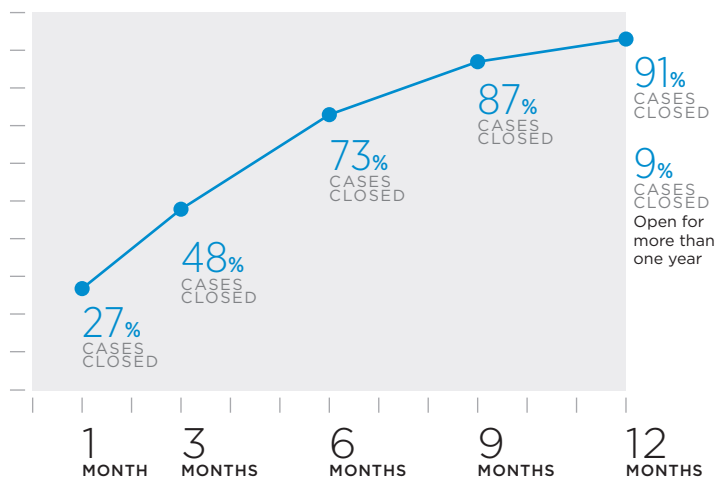
Complaints

The NZLS website has information about how to lodge a complaint and provides an email address for direct access to the Lawyers Complaints Service. There is a brochure and complaint form available to download.

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 RECEIVED 1.7.14 TO 30.6.15 | 1611 |
| Against lawyers | 1528 |
| Against former lawyers | 34 |
| Against non-lawyer employees | 29 |
| Against former non-lawyer employees | 0 |
| Against incorporated law firms | 20 |
| Against former incorporated law firms | 0 |
| COMPLAINTS CLOSED FOR YEAR TO 30.6.15 | 1529 |
| Complaints where a decision to take no action was made | 1137 |
| Complaints referred to and resolved by negotiation, conciliation or mediation | 143 |
| Complaints withdrawn, discontinued or settled | 64 |
| Complaints where Orders were made by a Lawyers Standards Committee pursuant to s 156 of the Act | 145 |
| Complaint where Orders were made by a Lawyers Standards Committee pursuant to s 157 of the Act (costs where no orders made) | 3 |
| Complaints where decision made to refer matter to the Tribunal under s 152 (2)(1) of the Act ³ | 38 |
| Orders by Lawyers Standards Committee for publication of lawyers' names | 4 |
| Orders by Lawyers Standards Committee for publication of facts of complaint | 27 |
| COMPLAINTS OUTSTANDING AS AT 30.6.15 | 702 |



Closure of Complaints

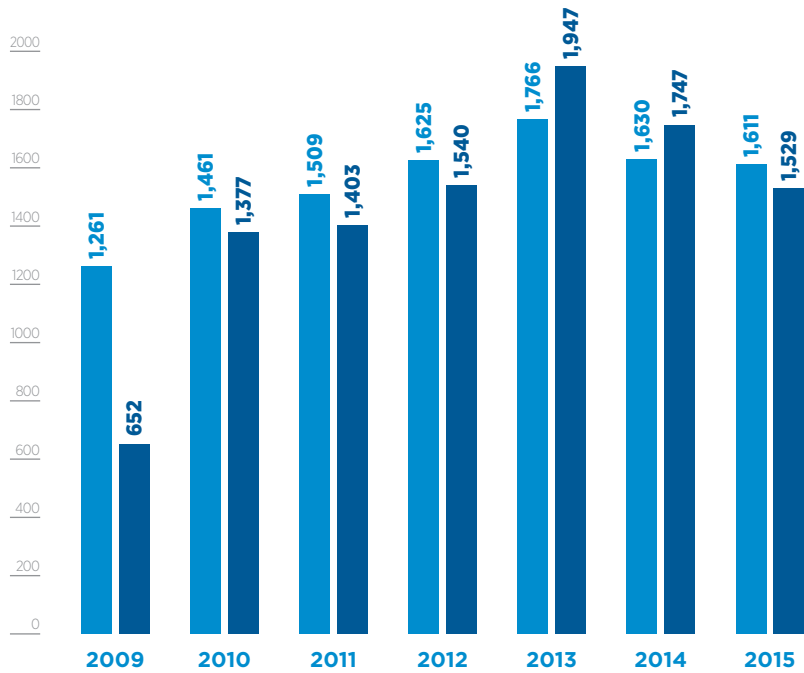
(Including complaints concluded through the Early Resolution Service.)

3. One complaint had orders made and part was also referred to the Disciplinary Tribunal.

Complaints received by year

Received
Closed

Year to 30 June, excepting 2009 which is 11 months to 30 June.



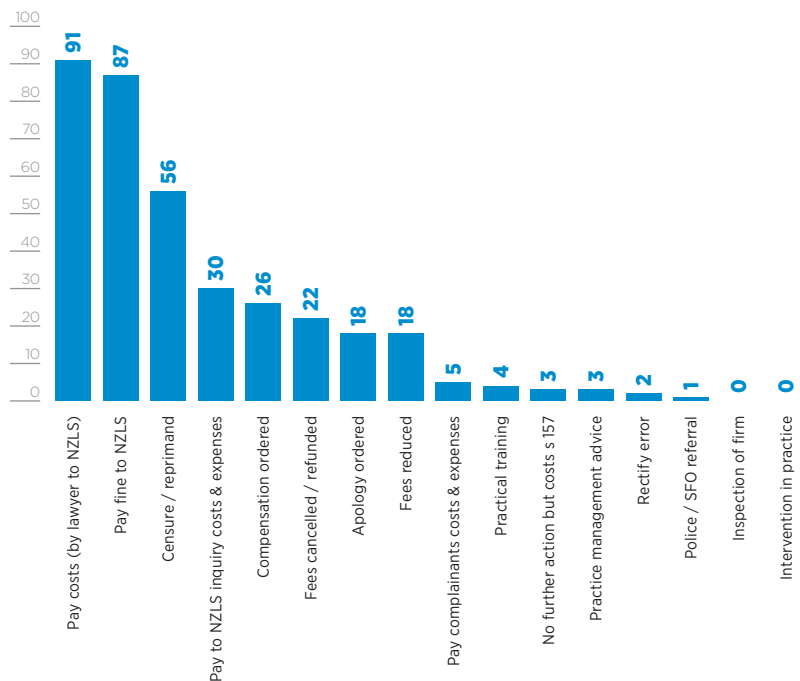
The total average time taken for all complaints to be closed in the reporting period was 143 days. When those complaints closed by the Early Resolution Service are excluded the average length of time is 221 days. Of the 1529 complaints closed during the period:

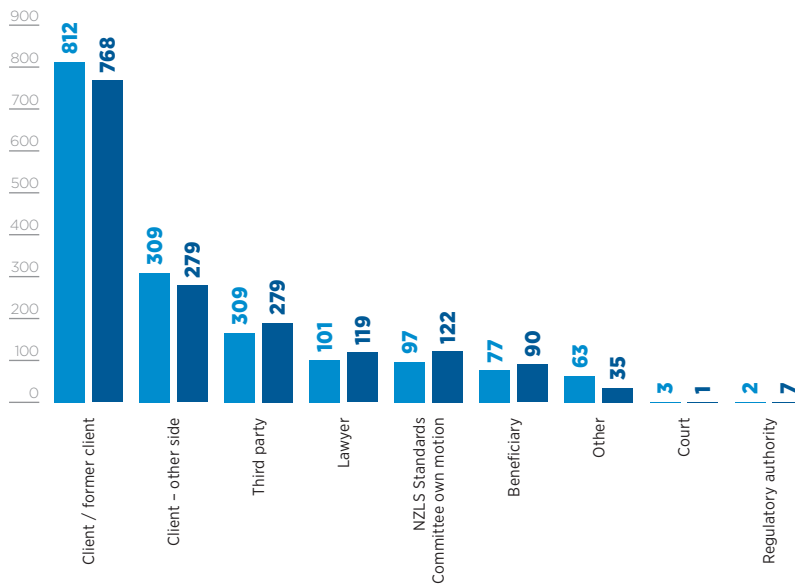
- The percentage of complaints concluded that resulted in no action was 74%.
- When including those resolved by negotiation, conciliation or mediation and those withdrawn, discontinued or settled the total is 88%.

Orders made

More than one order might be made per complaint

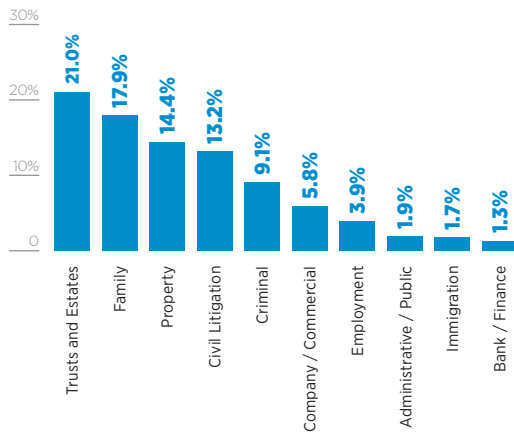
Note: This table has been amended to correct the table in the original version of this report



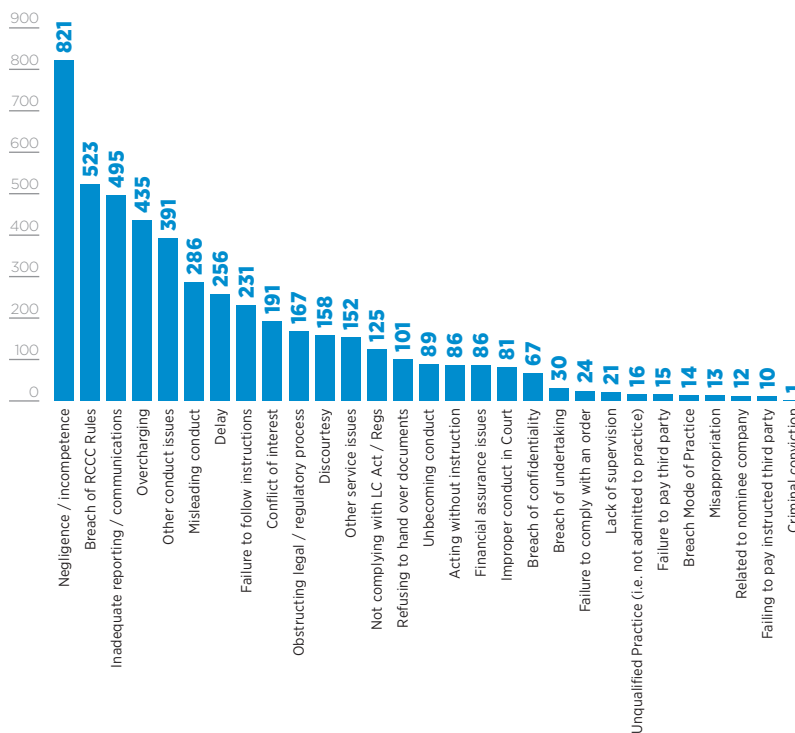


Origin of complaint

| | Total |
|-----------|-------|
| 2013-2014 | 1630 |
| 2014-2015 | 1611 |



Main areas of law in which complaint arose



Type of complaint

More than one type of complaint might be made per complaint

Note: This table has been amended to correct the table in the original version of this report

EARLY RESOLUTION SERVICE

Resolution by
Negotiation,
Conciliation or
Mediation

The Lawyers Complaints Service has operated a national Early Resolution Service (ERS) since 1 February 2013. All new complaints are assessed by an initial triage panel for suitability for early resolution.

Suitable complaints are then referred to one of two specialist ERS Lawyers Standards Committees. Where appropriate these Committees either direct the parties in these complaints to explore the possibility of resolution of the complaint by negotiation under s 143 of the Act or resolve to take no further action.

| | |
|---|-----|
| Complaints accepted for ERS in year to 30.6.15 | 686 |
| Complaints outstanding at 30.6.15 | 43 |
| ERS complaints closed during year to 30.6.15 | 638 |
| Complaints where a decision to take no action was made | 452 |
| Complaints resolved | 186 |
| Complaints not resolved and returned to standard track process | 65 |

41.3% of all complaints closed by the Lawyers Complaints Service are concluded through the ERS.

| | |
|---|---------|
| Average time taken to conclude within ERS ⁴ | 34 days |
| Average time taken to conclude complaints where decision was to take no action | 29 days |
| Average time taken to conclude complaints that were resolved | 46 days |

The above figures are a subset of the figures published for the entire Lawyers Complaints Service.

CONCERNS FORM

Since 1 February 2013 a concerns form has been available through a portal on the website. Any person who has a concern about a lawyer is invited to provide contact details and a Legal Standards Officer will call the person within 5 working days at the person's preferred time to discuss the concern.

| | |
|--|-----|
| Total concerns received for year to 30 June 2015 | 302 |
| Concerns that resulted in a formal complaint | 49 |
| Percentage | 16% |

In the reporting year the areas of law to which concerns related were varied with the highest numbers relating to family law and trusts and estates.

LAWYERS STANDARDS COMMITTEES

Regulation 12 of the CS Regulations established 18 regional, two national and 15 reserve committees. All the regional committees, five of the reserve committees and one of the national committees (a total of 24) have been declared by the Board to be Operational Standards Committees in accordance with regulation 12(2) at 30 June 2015.

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.

4. Number of days measured as ordinary calendar days not working days.

Training for Lawyers Standards Committees was provided on a regional basis during the reporting period.

The LCRO reviews decisions of Lawyers Standards Committees. The LCRO is appointed pursuant to section 190 of the Act. The office of the LCRO is administered by the Ministry of Justice.

Rex Maidment is the Legal Complaints Review Officer. Owen Vaughan and Dorothy Thresher are his deputies.

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 2014/15 was \$1,279,500 (GST exclusive.)

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

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

The Tribunal hears and determines disciplinary charges and other ancillary matters relating to the legal profession. The Tribunal was established pursuant to section 226 of the Act and is administered by the Ministry of Justice.

For the year ending 30 June 2015 the number of referrals to the Tribunal from Lawyers Standards Committees was 38:

- 38 lawyer and lawyer employee liability hearings were concluded
- 12 lawyers were struck off
- 14 lawyers were suspended

(In addition the Court of Appeal made two striking off orders using its inherent jurisdiction).

The term of one existing lawyer member of the Tribunal expired during the reporting period. That member was reappointed by the Board for a further period of 3 years expiring on 30 June 2017. One lawyer member resigned. The Board appointed one new lawyer member for 3 years to 30 June 2018.

The Chairperson of the Tribunal is Judge Clarkson. The Deputy Chairperson is (Retired) Judge B J Kendall.

Payments of \$247,645 (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 Tribunal is required by section 259 of the Act to report each year to the Minister of Justice and to NZLS. The report must include details of both the number of determinations and the nature of the determinations made by the Tribunal in the period to which the report relates.

The NZCLE is an independent statutory body constituted under Part 8 of the Act. It has responsibilities for the quality and provision of legal training required for a person to be admitted as a barrister and solicitor of the High Court of New Zealand.

The NZCLE consulted NZLS on its annual budget for funding purposes in accordance with section 276 of the Act. A levy of \$25 (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 2015 of \$272,000 (GST exclusive). This will come into effect for the 2015/16 practising fee year.

The NZLS Council has the power to nominate five people to be members of the NZCLE in accordance with section 282 of the Act. During the reporting year three current members were appointed for an additional three year term each from 28 September 2014.

LEGAL
COMPLAINTS
REVIEW OFFICER
(LCRO)

NEW ZEALAND
LAWYERS AND
CONVEYANCERS
DISCIPLINARY
TRIBUNAL
(TRIBUNAL)

NEW ZEALAND
COUNCIL
OF LEGAL
EDUCATION
(NZCLE)

LAWYERS AND CONVEYANCERS SPECIAL FUND

The Lawyers and Conveyancers Special Fund (“the Special Fund”) is vested in 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 NZLS and one person appointed by the NZSC, with one of the NZLS appointees appointed as chairperson. During the reporting period one NZLS vacancy arose and a member of the Committee assumed the role of acting chairperson.

The Special Fund received interest on solicitors’ trust accounts and bank deposits totalling \$6.862 million. Administration expenses of \$28,000 including an audit fee were deducted before the balance was paid to the Secretary for Justice 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 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. It is not an insurance fund.

Claims settled during 2014/15 totalled \$200,000. An amount of \$358,000 has been set aside to cover future payments of claims relating to known or suspected thefts. Recoveries of funds for 2014/15 were \$nil.

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 Solicitors’ 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, NZLS has not yet formed the opinion that all claims against this fund have been received and fully dealt with.

Claims settled during 2014/15 totalled \$567,000. An amount of \$250,000 has been set aside to cover future payments of claims relating to known or suspected thefts. Recoveries of funds for 2014/15 were \$nil.

COMPETENCE ASSURANCE AND PROFESSIONAL DEVELOPMENT

Stepping Up

Five sessions of *Stepping Up: foundation for practising on own account* were held during the reporting year and were attended by 274 lawyers. A total number of 900 lawyers have now attended *Stepping Up* since it began in July 2011. This extensive course involves a minimum of 40–50 hours of self-directed, pre-course preparation, followed by a two-and-a-half day workshop. Developed with the aid of a generous grant from the NZ Law Foundation, the course is comprised of three elements: business management, professional conduct and client care, and trust account management. These are further broken down into 13 modules.

The course prescription is set by the NZLS Board and the course itself delivered by NZLS CLE Limited under contract to NZLS. It is a prerequisite for approval for

lawyers to practise on their own account. Participants hold it in high regard. In over 18 courses since July 2011 the vast majority of participants reported it met (or in 59% of cases, exceeded) expectations.

The course is under constant review. In 2014 there was a formal review of all parts, which resulted in changes to be implemented from July 2015.

The inaugural CPD year ended on 31 March 2015 at which time 90.2% of lawyers had completed their CPD requirements. As at 30 June 2015, 99.6% of all eligible lawyers had completed their CPD requirements.

NZLS continues to develop learning resources to support lawyers to become familiar with the new requirements including models for planning and reflection, for forming and leading study groups and examples of how lawyers can record and reflect on the quality and alignment of their CPD activities.

A CPD Committee was established to focus on the continued development of the CPD programme.

During the reporting period audits were conducted for all lawyers with outstanding declarations together with an additional random selection.

The Financial Assurance Scheme was established in 1998 under the Solicitors Trust Account Regulations 1998 with the objective of protecting money entrusted to law practices. 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), Christchurch (2), Hamilton (1) and Wellington (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:

- to review lawyers’ trust accounts (there being 1,425 law practices operating trust accounts);
- to ensure compliance by lawyers with sections 110–114 of the Act and with the Trust Account Regulations;
- to conduct investigations of the affairs of practices and lawyers under Part 7 of the Trust Account Regulations;
- to administer the Financial Assurance Scheme; and
- to assist in the education of lawyers and incorporated law firms and their staff in the matters to which the Trust Account Regulations relate.

For the year to 30 June 2015 the Inspectorate has continued to implement the risk management framework procedure. Law firms are reviewed and assessed on the basis of risk. In the discharge of its functions for the year to 30 June 2015 the Inspectorate has:

- Conducted 432 reviews of trust accounts; Of these there were
 - 16 general reviews
 - 334 limited reviews
 - 18 focus reviews
 - 11 exit reviews
 - 48 new practice reviews
 - 3 investigations under s 109 of the Act
 - 2 revisits

Continuing Professional Development (CPD)

FINANCIAL ASSURANCE SCHEME AND THE INSPECTORATE

- Referred 11 reports from the above reviews to the Lawyers Complaints Service.
- Investigated the affairs of 5 law firms under s 144 of the Act resulting in:
 - 1 lawyer being struck off
 - 1 finding by a Standards Committee of no further action
 - 3 remain open
- Assisted with the development, preparation and delivery of educational courses during the year including *Stepping Up*, Trust Account Supervisors and Trust Account Administrators courses;
- Delivered seminars on trust account related issues and wrote articles for publication to lawyers;
- Assisted NZLS branches in undertaking (s 30) Practice On Own Account interviews;
- Assisted lawyers where individual guidance was required.

Lawyers Nominee Companies

NZLS has been in continued consultation with the Financial Markets Authority (FMA) in relation to the expiry of the Securities Act (Contributory Mortgage – Solicitors and Incorporated Law Firms) Exemption Notice 2013 on 30 September 2016. After this date law firms running contributory mortgage schemes will be regulated by the FMA. A Memorandum of Understanding in this regard between NZLS and FMA is being developed.

All law firms running contributory mortgage schemes were required to register on the Register of Financial Service Providers and join a dispute resolution scheme by 1 July 2014.

On 1 May 2015 NZLS provided information to FMA about all law firms who were providing contributory mortgage lending as at 31 March 2015. This information was provided following a Notice received pursuant to s 25 of the Financial Markets Authority Act 2011.

In the year to 30 June 2015, NZLS has not been requested to give written consent to the formation of any lawyers nominee company under rule 4.1 of the Lawyers and Conveyancers Act (Lawyers: Nominee Company) Rules 2008. NZLS has approved the change of name of one lawyer's nominee company under rule 5.1 of those Rules.

ASSISTING AND PROMOTING THE REFORM OF THE LAW

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

NZLS examined all Bills introduced to Parliament and made submissions on 9 Bills. It appeared before select committees on 3 of those Bills. NZLS prepared submissions on 61 discussion documents from government departments and statutory bodies, and 3 Law Commission papers.

The submissions were prepared by the voluntary contribution of members of the NZLS Law Reform Committee with assistance from the NZLS specialist committees and the Property Law and Family Law Sections.

NZLS has two representatives on the Rules Committee (a statutory body established by s 51B of the Judicature Act 1908). NZLS representatives contribute to the Rules Committee's consideration of proposed reforms to procedural rules in the Supreme Court, the Court of Appeal, the High Court and District Courts.

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

NZLS assisted by the Committees and Sections, also liaised during the year with Ministers and government departments about a range of law reform and administration of justice issues.

The Courthouse Committee monitors operation of the courts and courthouses across New Zealand, and keeps a watching brief on issues affecting the profession

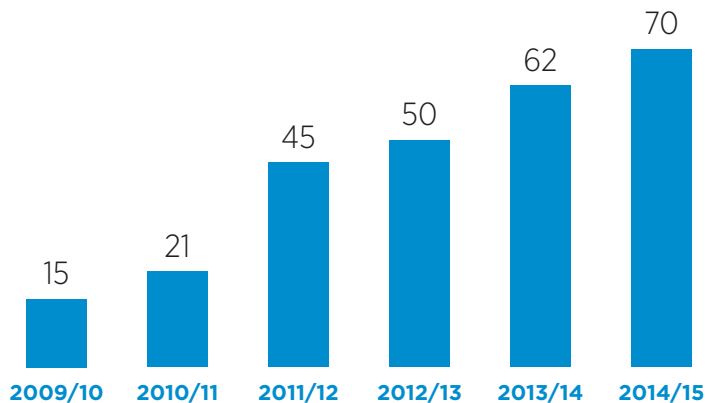
and the community – including courthouse design and security; introduction of technology in courts; and court closures, courts management restructuring, and reduced services.

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 s 73 of the Act and from charges for services.

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 concentrated in the three main research libraries in Auckland, Wellington and Christchurch. A research and document delivery service is provided by the libraries to ensure that lawyers have ready access to a significant legal information resource.

The net cost of operating the libraries in 2014/15 was \$2.961 million.

Under rule 16 of the Lawyers and Conveyancers Act (Lawyers: Conduct and Client Care) Rules 2008, as at 30 June 2015 70 lawyers have notified NZLS of their intention to commence providing real estate services on a regular or systematic basis.



In March 2011 NZLS commenced an internal review of its regulatory functions. The objective is the development and implementation of opportunities for the improvement of regulatory performance. This review has been on-going over the reporting period with the fifth meeting of the Governance Group of the regulatory review of services operational improvement programme being held on 26 May 2015.

Under rule 14.5 of the Lawyers and Conveyancers Act (Lawyers: Conduct and Client Care) Rules 2008, NZLS was 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.

At its meeting on 11 April 2014 the NZLS Council passed a resolution to amend Rules 3.4 to 3.10 and Rules 14.4 to 14.13 of the Lawyers and Conveyancers Act (Lawyers: Conduct and Client Care) Rules 2008 (RCCC). The changes amended the existing intervention and client care rules so that the intervention rule was effectively expanded.

LIBRARIES

MISCELLANEOUS STATISTICAL INFORMATION

Real estate services

Number of lawyers intending to provide real estate services

REVIEWS

Regulatory Review

Intervention rule

Justice Minister Amy Adams approved the amendments and the implementation date of 1 July 2015. The NZLS Council adopted the new rules on 10 April 2015 and an additional amendment was adopted on 5 June 2015.

The amendments relaxed the rule in relation to various matters including certain categories of criminal, family and employment law matters and civil matters which are not proceedings before a District Court, High Court, Court of Appeal or Supreme Court. In addition providing a legal opinion would be exempted.

The amendments provide that any escrow account moneys paid in advance of fees for work to be carried out by a barrister for a client with no instructing solicitor must be held and dealt with in accordance with terms prescribed by NZLS. NZLS has adopted a prescribed form of escrow agreement for use by barristers and escrow agents. To take direct instructions barristers must:

- be practising on own account as barrister sole; and
- have completed the prescribed training requirements (either the NZLS CLE Ltd Intervention Rule Webinar or have done the equivalent module in Stepping Up: Foundation for practising on own account after 1 July 2015); and
- obtained approval from NZLS.

During extensive consultation which NZLS engaged in with various sectors of the profession and the Bar Association it was found that many lawyers favoured the entire abolition of the intervention rule whereas others favoured the retention of the rule in its then current form. NZLS considers the amendments strike a reasonable balance.

Indemnity

Under rule 5(1) of the Lawyers and Conveyancers Act (Lawyers: Indemnity) Rules 2008 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 previous reports 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. NZLS understands that the Ministry of Justice is to monitor the situation and the Board has authorised the President and Executive Director to continue to explore options for future consideration on an ongoing basis.

Shared Services

During the reporting period NZLS has commenced work and is seeking views on a proposed amendment to Rule 15.2.4 (shared services) of the RCCC. This would allow in-house lawyers to advise other entities in structures where they are closely related to their employing organisation. Work is ongoing.

New Zealand Law Society Summary Financial Statements

The summary financial statements for the year ended 30 June 2015, which relate to the exercise of regulatory functions and powers, are provided in accordance with section 76(2) of the Act. The summary financial statements are presented in two groups, to reflect the particular reporting requirements of each group, as set out below.

- New Zealand Law Society – Regulatory
- New Zealand Law Society Lawyers’ Fidelity Fund
- New Zealand Law Society Solicitors’ Fidelity Guarantee Fund
- The Lawyers and Conveyancers Special Fund

The summary financial statements have been extracted from the full audited financial statements for the year ended 30 June 2015, of the New Zealand Law Society – Regulatory, approved for issue on 28 August 2015 by the Board of the New Zealand Law Society.

The full financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS), and other applicable financial reporting standards, as appropriate for public benefit entities. The full financial statements comply with International Financial Reporting Standards (IFRS).

An unmodified audit opinion was issued on the full financial statements for New Zealand Law Society – Regulatory on 28 August 2015.

The summary financial statements cannot be expected to provide as complete an understanding as provided by the full financial statements of the financial performance, financial position, and cash flows of the above entity.

The presentation currency is New Zealand dollars rounded to the nearest thousands. The following summary financial statements comply with FRS-43: *Summary Financial Statements*.

Reporting entity

The New Zealand Law Society (“NZLS”) is governed by the Lawyers and Conveyancers Act 2006 (the “LCA”). The LCA came into effect on 1 August 2008, replacing the Law Practitioners Act 1982. The LCA requires that the representative and regulatory functions of the NZLS are maintained separately and that separate financial statements are prepared for each category. The summary financial statements shown below have been prepared for the NZLS regulatory function (“NZLS Regulatory”).

NZLS Regulatory’s functions are set out in section 65 of the LCA. The primary functions are to regulate practice by lawyers, uphold the fundamental obligations imposed on lawyers, monitor and enforce the provisions of the LCA and assist and promote the reform of the law. NZLS Regulatory incorporates Lawyer Registration, Professional Standards including the Complaints Service and Inspectorate functions, Law Libraries and law reform support.

NEW ZEALAND
LAW SOCIETY –
REGULATORY

Summary Statement of Comprehensive Income

For the year ended 30 June 2015

| | 2015 \$000 | 2014 \$000 |
|--|---------------|---------------|
| REVENUE | | |
| Practising and other service fees, interest | 20,301 | 19,620 |
| EXPENSES | | |
| Administration and library | 19,786 | 19,326 |
| Surplus before income tax | 515 | 294 |
| Income tax expense | 182 | 189 |
| Net surplus for the year | 333 | 105 |
| Total comprehensive income for the year, net of tax | 333 | 105 |

Summary Statement of Financial Position

As at 30 June 2015

| | 2015 \$000 | 2014 \$000 |
|-------------------------------------|---------------|---------------|
| ASSETS | | |
| Current assets | 23,988 | 25,787 |
| Non-current assets | 7,682 | 2,871 |
| Total assets | 31,670 | 28,658 |
| EQUITY AND LIABILITIES | | |
| Current liabilities | 24,461 | 21,782 |
| Equity | 7,209 | 6,876 |
| Total equity and liabilities | 31,670 | 28,658 |

Summary Statement of Changes in Equity

For the year ended 30 June 2015

| | 2015 \$000 | 2014 \$000 |
|---|---------------|---------------|
| Equity at beginning of year | 6,876 | 6,771 |
| Total comprehensive income for the year, net of tax | 333 | 105 |
| Equity at end of year | 7,209 | 6,876 |

Summary Statement of Cash Flows

For the year ended 30 June 2015

| | 2015 \$000 | 2014 \$000 |
|---|----------------|---------------|
| Net cash flows from operating activities | 3,713 | 1,554 |
| Net cash flows used in investing activities | (5,572) | (400) |
| Net (decrease)/increase in cash and cash equivalents | (1,859) | 1,154 |
| Cash and cash equivalents at beginning of year | 25,503 | 24,349 |
| Cash and cash equivalents at end of year | 23,644 | 25,503 |

The financial statements were approved for issue on 28 August 2015 by the Board of the New Zealand Law Society.



REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS TO THE MEMBERS OF THE NEW ZEALAND LAW SOCIETY – REGULATORY

The accompanying summary financial statements of the New Zealand Law Society – Regulatory on page 18, which comprise the summary statement of financial position as at 30 June 2015, and the summary statement of financial performance and summary statement of changes in equity and summary statement of cash flows for the year then ended, and related notes, are derived from the audited financial statements of the New Zealand Law Society – Regulatory for the year ended 30 June 2015. We expressed an unmodified audit opinion on those financial statements in our report dated 28 August 2015.

The summary financial statements do not contain all the disclosures required for full financial statements under New Zealand Equivalents to International Financial Reporting Standards and generally accepted accounting practice in New Zealand. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of the New Zealand Law Society – Regulatory.

This report is made solely to the members, as a body, for the purpose of expressing an opinion on the summary financial statements for the year ended 30 June 2015. Our audit has been undertaken so that we might state to the members those matters we are required to state to them in an auditor's report on summary financial statements and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members as a body, for our audit work, for this report, or for the opinions we have formed.

Board's Responsibility for the Summary Financial Statements

The Board is responsible for the preparation of a summary of the audited financial statements, in accordance with FRS-43: Summary Financial Statements.

Auditor's Responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standards on Auditing (New Zealand) (ISA (NZ)) 810: *Engagements to Report on Summary Financial Statements*.

Other than in our capacity as auditor and the provision of taxation advice, we have no relationship with or interests in the New Zealand Law Society – Regulatory. These services have not impaired our independence as auditor of the New Zealand Law Society – Regulatory.

Opinion

In our opinion, the summary financial statements derived from the audited financial statements of the New Zealand Law Society – Regulatory for the year ended 30 June 2015 are consistent, in all material respects, with those financial statements, in accordance with FRS-43: *Summary Financial Statements*.

CHARTERED ACCOUNTANTS

28 August 2015

Wellington, New Zealand

This audit report relates to the summary financial statements of the New Zealand Law Society – Regulatory for the year ended 30 June 2015 included on the New Zealand Law Society's website. The Board of the New Zealand Law Society is responsible for the maintenance and integrity of the New Zealand Law Society's website. We have not been engaged to report on the integrity of the New Zealand Law Society's website. We accept no responsibility for any changes that may have occurred to the summary financial statements since they were initially presented on the website. The audit report refers only to the summary financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these summary financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited summary financial statements and related audit report dated 28 August 2015 to confirm the information included in the audited summary financial statements presented on this website. Legislation in New Zealand governing the preparation and dissemination of financial statements and summary financial statements may differ from legislation in other jurisdictions.

**NEW ZEALAND LAW
SOCIETY LAWYERS'
FIDELITY FUND**

**NEW ZEALAND
LAW SOCIETY
SOLICITORS'
FIDELITY
GUARANTEE FUND**

**THE LAWYERS AND
CONVEYANCERS
SPECIAL FUND**

**NEW ZEALAND
LAW SOCIETY
LAWYERS'
FIDELITY FUND**

**Summary Statement
of Financial
Performance**

For the year ended 30 June 2015

**Summary Statement
of Financial Position**

As at 30 June 2015

The summary financial statements have been extracted from the full audited financial statements for the year ended 30 June 2015, of the New Zealand Law Society Lawyers' Fidelity Fund and the New Zealand Law Society Solicitors' Fidelity Guarantee Fund, approved for issue on 28 August 2015 by the Board of the New Zealand Law Society, and The Lawyers and Conveyancers Special Fund approved for issue on 17 September 2015 by the Management Committee of the Special Fund.

The full financial statements for the above entities have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). Measurement and recognition of transactions and balances in the financial statements comply with Financial Reporting Standards. Each entity qualifies for differential reporting under the Framework for Differential Reporting as there is no public accountability and they do not qualify as large. The entities have taken advantage of all the exemptions available under the framework.

An unmodified audit opinion was issued on the full financial statements for each of the above entities at the dates indicated.

The summary financial statements cannot be expected to provide as complete an understanding as provided by the full financial statements of the financial performance, financial position, and cash flows (where applicable) of the above entities.

The presentation currency is New Zealand dollars rounded to the nearest thousands. The following summary financial statements comply with FRS-39: *Summary Financial Reports*.

Reporting entity

The New Zealand Law Society Lawyers' Fidelity Fund (the "Lawyers Fidelity Fund") is the property of the New Zealand Law Society and is held in trust for the purpose of reimbursing persons who have suffered pecuniary loss arising from theft, as is defined in the Crimes Act, committed by lawyers in public practice since 1 August 2008.

| | 2015 | 2014 |
|---|--------------|--------------|
| | \$000 | \$000 |
| REVENUE | | |
| Annual contributions, recoveries and interest | 1,234 | 1,191 |
| EXPENSES | | |
| Claims and other | 540 | 422 |
| Surplus before income tax | 694 | 769 |
| Income tax expense | 83 | 70 |
| Net surplus for the year | 611 | 699 |
| | 2015 | 2014 |
| | \$000 | \$000 |
| ASSETS | | |
| Current assets | 3,864 | 5,908 |
| Non-current assets | 2,928 | - |
| Total assets | 6,792 | 5,908 |
| EQUITY AND LIABILITIES | | |
| Current liabilities | 1,384 | 1,111 |
| Equity | 5,408 | 4,797 |
| Total equity and liabilities | 6,792 | 5,908 |

| | 2015 | 2014 |
|------------------------------|--------------|--------------|
| | \$000 | \$000 |
| Equity at beginning of year | 4,797 | 4,098 |
| Net surplus for the year | 611 | 699 |
| Equity at end of year | 5,408 | 4,797 |

Summary Statement of Changes in Equity

For the year ended 30 June 2015

The financial statements were approved for issue on 28 August 2015 by the Board of the New Zealand Law Society.

Reporting entity

The New Zealand Law Society Solicitors' Fidelity Guarantee Fund (the Fidelity Guarantee Fund) is the property of the New Zealand Law Society and is held in trust for the purpose of reimbursing persons who have suffered pecuniary loss arising from theft, as is defined in the Crimes Act, committed by lawyers in public practice prior to 1 August 2008.

NEW ZEALAND LAW SOCIETY SOLICITORS' FIDELITY GUARANTEE FUND

| | 2015 | 2014 |
|--|------------|--------------|
| | \$000 | \$000 |
| REVENUE | | |
| Interest | 584 | 554 |
| EXPENSES | | |
| Claims and other | 116 | 752 |
| Surplus/(deficit) before income tax | 468 | (198) |
| Income tax expense | 190 | 180 |
| Net surplus/(deficit) for the year | 278 | (378) |

Summary Statement of Financial Performance

For the year ended 30 June 2015

| | 2015 | 2014 |
|-------------------------------------|---------------|---------------|
| | \$000 | \$000 |
| ASSETS | | |
| Current assets | 5,300 | 11,189 |
| Non-current assets | 7,373 | 1,826 |
| Total assets | 12,673 | 13,015 |
| EQUITY AND LIABILITIES | | |
| Current liabilities | 311 | 931 |
| Equity | 12,362 | 12,084 |
| Total equity and liabilities | 12,673 | 13,015 |

Summary Statement of Financial Position

As at 30 June 2015

| | 2015 | 2014 |
|------------------------------------|---------------|---------------|
| | \$000 | \$000 |
| Equity at beginning of year | 12,084 | 12,462 |
| Net surplus/(deficit) for the year | 278 | (378) |
| Equity at end of year | 12,362 | 12,084 |

Summary Statement of Changes in Equity

For the year ended 30 June 2015

The financial statements were approved for issue on 28 August 2015 by the Board of the New Zealand Law Society.

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS TO THE MEMBERS OF THE NEW ZEALAND LAW SOCIETY LAWYERS' FIDELITY FUND AND THE NEW ZEALAND LAW SOCIETY SOLICITORS' FIDELITY GUARANTEE FUND

The accompanying summary financial statements of the New Zealand Law Society Lawyers' Fidelity Fund (the "Lawyers' Fidelity Fund") and the New Zealand Law Society Solicitors' Fidelity Guarantee Fund (the "Fidelity Guarantee Fund") on pages 20 to 21, which comprise the summary statements of financial position as at 30 June 2015, and the summary statements of financial performance and summary statements of changes in equity for the year then ended, and related notes, are derived from the audited financial statements of the Lawyers' Fidelity Fund and Fidelity Guarantee Fund for the year ended 30 June 2015. We expressed an unmodified audit opinion on those financial statements in our report dated 28 August 2015.

The summary financial statements do not contain all the disclosures required for full financial statements under generally accepted accounting practice in New Zealand. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of the Lawyers' Fidelity Fund and Fidelity Guarantee Fund.

This report is made solely to the members, as a body, for the purpose of expressing an opinion on the summary financial statements for the year ended 30 June 2015. Our audit has been undertaken so that we might state to the members those matters we are required to state to them in an auditor's report on summary financial statements and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members as a body, for our audit work, for this report, or for the opinions we have formed.

Board's Responsibility for the Summary Financial Statements

The Board is responsible for the preparation of a summary of the audited financial statements, in accordance with FRS-39: *Summary Financial Statements*.

Auditor's Responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standards on Auditing (New Zealand) (ISA (NZ)) 810: *Engagements to Report on Summary Financial Statements*.

Other than in our capacity as auditor and the provision of taxation advice, we have no relationship with or interests in the Lawyers' Fidelity Fund and Fidelity Guarantee Fund. These services have not impaired our independence as auditor of the Lawyers' Fidelity Fund and Fidelity Guarantee Fund.

Opinion

In our opinion, the summary financial statements derived from the audited financial statements of the Lawyers' Fidelity Fund and Fidelity Guarantee Fund for the year ended 30 June 2015 are consistent, in all material respects, with those financial statements, in accordance with FRS-39: *Summary Financial Statements*.



CHARTERED ACCOUNTANTS

28 August 2015

Wellington, New Zealand

This audit report relates to the summary financial statements of the New Zealand Law Society Lawyers' Fidelity Fund and the New Zealand Law Society Solicitors' Guarantee Fund for the year ended 30 June 2015 included on the New Zealand Law Society's website. The Board of the New Zealand Law Society is responsible for the maintenance and integrity of the New Zealand Law Society's website. We have not been engaged to report on the integrity of the New Zealand Law Society's website. We accept no responsibility for any changes that may have occurred to the summary financial statements since they were initially presented on the website. The audit report refers only to the summary financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these summary financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited summary financial statements and related audit report dated 28 August 2015 to confirm the information included in the audited summary financial statements presented on this website. Legislation in New Zealand governing the preparation and dissemination of financial statements and summary financial statements may differ from legislation in other jurisdictions.

Reporting entity

The Lawyers and Conveyancers Special Fund (the "Special Fund") receives income in the form of interest earned on moneys held in lawyers and conveyancers nominated trust accounts kept at New Zealand registered banks in accordance with the provisions of the Lawyers and Conveyancers Act 2006 (LCA). The income, after deduction of allowed expenditure, is distributed to the Ministry of Justice for the purpose of funding Community Law Centres.

| | 2015 | 2014 |
|--|--------------|--------------|
| | \$000 | \$000 |
| REVENUE | | |
| Interest on trust accounts and bank deposits | 6,862 | 5,894 |
| EXPENSES | | |
| Ministry of Justice | 6,834 | 5,866 |
| Administration and other | 28 | 28 |
| Total expenses | 6,862 | 5,894 |
| Residual balance for the year | - | - |

| | 2015 | 2014 |
|---|------------|------------|
| | \$000 | \$000 |
| ASSETS | | |
| Current assets | 657 | 571 |
| Total assets | 657 | 571 |
| EQUITY AND LIABILITIES | | |
| Current liabilities | 657 | 571 |
| Equity | - | - |
| Total equity and current liabilities | 657 | 571 |

There were no changes in equity for the year ended 30 June 2015 (2014 – Nil).

The financial statements were approved for issue on 17 September 2015 by the Management Committee established under section 292 of the LCA.

THE LAWYERS & CONVEYANCERS SPECIAL FUND

Summary Statement of Financial Performance

For the year ended 30 June 2015

Summary Statement of Financial Position

As at 30 June 2015

Summary Statement of Changes in Equity

For the year ended 30 June 2015



REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS TO THE MEMBERS OF THE LAWYERS AND CONVEYANCERS SPECIAL FUND

The accompanying summary financial statements of the Lawyers and Conveyancers Special Fund (the "Special Fund") on page 23, which comprise the summary statement of financial position as at 30 June 2015, and the summary statement of financial performance and summary statement of changes in equity for the year then ended, and related notes, are derived from the audited financial statements of the Special Fund for the year ended 30 June 2015. We expressed an unmodified audit opinion on those financial statements in our report dated 17 September 2015.

The summary financial statements do not contain all the disclosures required for full financial statements under generally accepted accounting practice in New Zealand. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of the Special Fund.

This report is made solely to the members, as a body, for the purpose of expressing an opinion on the summary financial statements for the year ended 30 June 2015. Our audit has been undertaken so that we might state to the members those matters we are required to state to them in an auditor's report on summary financial statements and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members as a body, for our audit work, for this report, or for the opinions we have formed.

Management Committee's Responsibility for the Summary Financial Statements

The Management Committee is responsible for the preparation of a summary of the audited financial statements, in accordance with FRS-39: Summary Financial Statements.

Auditor's Responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standards on Auditing (New Zealand) (ISA (NZ)) 810: *Engagements to Report on Summary Financial Statements*.

Other than in our capacity as auditor, we have no relationship with or interests in the Special Fund.

Opinion

In our opinion, the summary financial statements derived from the audited financial statements of the Lawyers and Conveyancers Special Fund for the year ended 30 June 2015 are consistent, in all material respects, with those financial statements, in accordance with FRS-39: *Summary Financial Statements*.

CHARTERED ACCOUNTANTS

17 September 2015
Wellington, New Zealand

This audit report relates to the summary financial statements of the Lawyers and Conveyancers Special Fund for the year ended 30 June 2015 included on the New Zealand Law Society's website. The Board of the New Zealand Law Society is responsible for the maintenance and integrity of the New Zealand Law Society's website. We have not been engaged to report on the integrity of the New Zealand Law Society's website. We accept no responsibility for any changes that may have occurred to the summary financial statements since they were initially presented on the website. The audit report refers only to the summary financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these summary financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited summary financial statements and related audit report dated 17 September 2015 to confirm the information included in the audited summary financial statements presented on this website. Legislation in New Zealand governing the preparation and dissemination of financial statements and summary financial statements may differ from legislation in other jurisdictions.



NEW ZEALAND
LAW SOCIETY

NZLS EST 1869