

Generating financial value

Financial highlights

Our consolidated results include the Society's membership activities, insurance activities (through Lexon Insurance Pte Ltd and Law Claims Levy Fund) and the regulatory responsibilities that Queensland Law Society carries out under legislative requirements.

Parent entity, Queensland Law Society Incorporated

Queensland Law Society (the parent entity) reported an operating surplus of \$1.6m compared to the prior year's surplus of \$0.7m. Overall revenue was favourable compared to last year with growth in the profession and resulting membership fee income. Our event revenue was marginally behind last year with a number of seminars being reduced – this reduction was predominately offset by expense savings. Resource (DVD) sales also fell during the year.

Our interest earned reduced on the back of the falling cash rates.

We continued our emphasis on managing controllable costs, and the majority of costs increased by less than CPI. The number of full-time equivalent employees remained stable throughout the year. Net assets of the parent entity are \$51.5m, up from \$50.8m the prior year (which includes a \$1.0m decrease in the building valuation). We use these retained surpluses to deliver major strategic projects for members.

Insurance scheme

(comprising Lexon Insurance Pte Ltd and Law Claims Levy Fund)

The insurance scheme reported a surplus of \$11.6m compared to \$881k for 2011-12. When comparing to the prior year, the result is attributed to:

- a reduced claim expense of \$6.4m. The prior year included a significant increase due to the falling discount rates which remained relatively stable during the 2012-13 year. Based on experience we have also reported strong reserve releases relating to earlier years.
- strong investment returns of \$8.4m compared to \$3.6m in 2011-12.

We have again seen a drop in the overall predicted claim numbers for 2012-13 which are the lowest they have been since 2002-03 (Lexon commencement). While not impacting the claims expense, gross claim payments were \$26.3m (2011-12: \$21.8m) and after excess and reinsurance recoveries, net payments were \$18.7m (2011-12: \$16.6m).

The insurance scheme has in place an investment policy statement which provides a framework for managing the investment portfolio. Throughout the year the scheme maintained more than 70% of investments in income securities, with the balance in equities, credit and property.

The scheme reported returns of 5.9% from income securities and 21.0% from equities, credit and property, giving a combined result of 9.8%.

Contracts and procurement

Queensland Law Society complies with requirements of the *State Procurement Policy 2010* (which becomes the *Queensland Procurement Policy 2013* from 1 July 2013) when entering into contracts. This supports informed, reliable purchase decisions and enables QLS to maximise value for money for members.

This year we reinforced awareness of the QLS and government processes for reporting and publishing these transactions through manager education sessions and cascade information to staff. The integrated processes ensure best practice, transparency, probity and accountability in QLS transactions of moderate to significant value. These transactions are managed in accordance with our obligations under the *Financial Accountability Act 2009* and *Financial and Performance Management Standard 2009* and are subject to external audit.





[Formerly Colabro SVConsulting Pty Ltd]



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Our business supporters

Throughout the year, Queensland Law Society continued our Business Supporters Program that links members with quality products and services from select companies and organisations. We thank all our business supporters for this year.

At 30 June 2012 these were:

Area of business	Company
Accounting	SVP Forensics
	BDO
	Vincent's Chartered Accountants
Broadcast hire	FWO Chartered Accountants
	Pro-Cam
Archive and document management	Total Records Management
Information services	CITEC Confirm
Investigation/risk management	Phoenix Global
Investigators/process serving	IDS Group
Legal publishing	Smokeball
Legal software	LEAP Legal Software
	Law Support
Printing services	LAW IN ORDER
Property advisers	Herron Todd White