



ANNUAL REPORT 2019-2020

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OUR STORY

Financial Advice New Zealand is the professional body for lending advisers, risk advisers, investment advisers and financial planners.

The members of Financial Advice New Zealand are part of an Association that seeks opportunities to make a positive difference. We strive to advocate for members' needs. We work tirelessly to help build a thriving future for financial advice, in an environment that understands and supports what advisers need.

Financial Advice New Zealand is here to support and promote our members as quality professional advisers.

We are striving for:

- a respected profession that plays a meaningful and valued role in helping Kiwis thrive
- a profession that delivers prosperous, successful businesses and career opportunities for advisers
- a profession known for leadership

Through our three pillars of standards, advocacy and promotion, Financial Advice New Zealand is committed to promoting the value of advice and to helping more New Zealanders access quality advisers.

We are focused on using our united voice to advocate for the benefit of advisers, and for the New Zealand public.

ADVOCACY

We are dedicated to a fundamental goal: to build the framework that best supports advisers in providing quality advice to New Zealanders.

STANDARDS

Together we build public confidence and trust in financial advice. Our members will be known for their commitment to quality.

PROMOTION

We actively and consistently drive awareness of the value of quality advice, and the role our members play in helping Kiwis thrive.

THE YEAR 2019-2020

Member-Driven Success

Financial Advice New Zealand's success relies on the strength and support of its members.

In its second year we welcomed 119 new advisers into the membership group. During the year a similar number of members left, predominantly through retirement or as they left the industry.

Thank you to all 1,815 advisers who were members at some stage during the year.

The support of every member and stakeholder is greatly appreciated and with that ongoing backing Financial Advice New Zealand will continue to thrive and grow.

Supporting members through Covid-19

Like so many organisations, the emergence of Covid-19 changed the immediate priorities of the Association. As members' professional organisation, we recognised the need advisers had to not only understand this new environment, but also to keep connected in a time where being physically present wasn't an option.

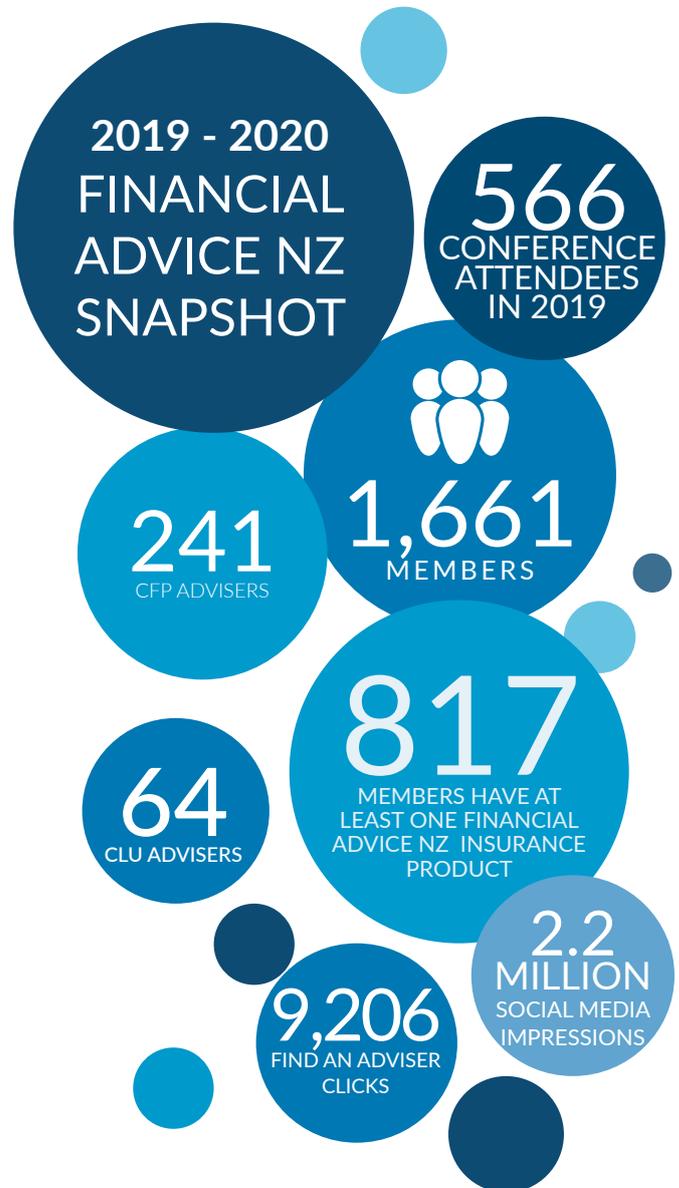
We adapted the work programme and developed a range of resources that members could draw on.

On the first day of lockdown on March 25th we began our Bring in the Experts webinar series. From then until the end of the financial year on June 30 we brought in a range of experts, from economists to technical experts to business adaptability specialists, to share their knowledge, to inspire and to connect members.

The 27 free webinars had an average attendance of over 200 advisers with some attracting in excess of 400.

Alongside the webinar series, we also launched the Peer Support Programme, where 27 experienced advisers offered their help to members who needed support in a range of areas.

We also worked with product providers to gather reference resources for advisers to easily see the responses to hardship, and we developed a Health & Safety toolbox to support members as they moved down the lockdown levels.



“I am appreciative of all the support given during Covid-19. You provided relevant and timely updates each day which gave me a routine and something to give me structure. I am a sole practitioner and felt the support was invaluable when I was feeling anxious and uncertain.”

MEMBERSHIP SURVEY

The annual membership survey in April 2020 highlighted the satisfaction members have with the Association.

89% of members think Financial Advice New Zealand is heading in the right direction:

- Totally on course 35%
- On course 55%
- Somewhat on course 8%
- Off course 3%

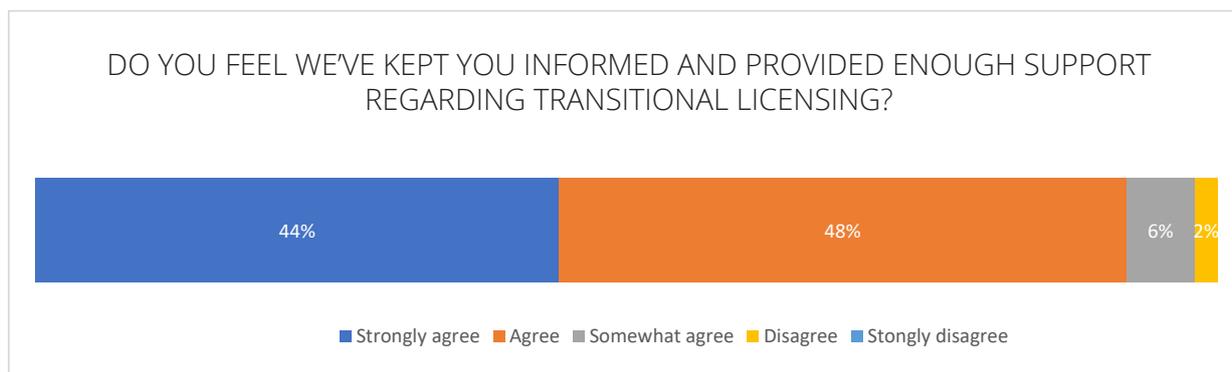
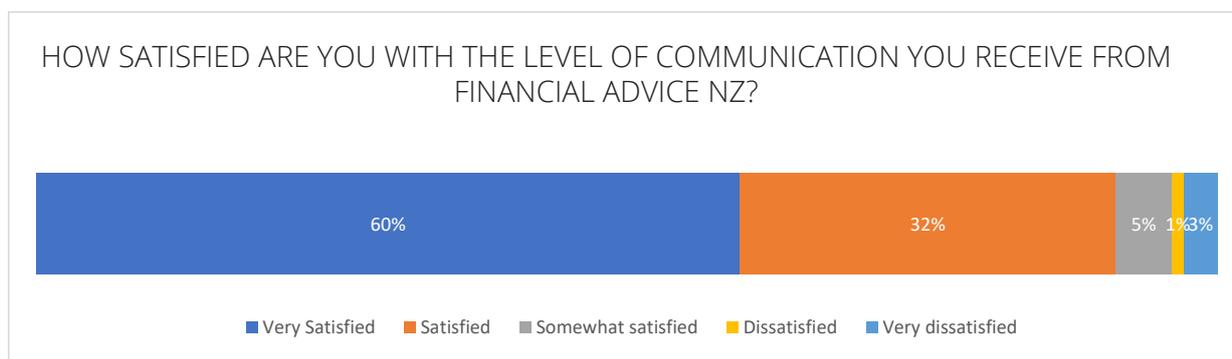
When looking specifically at the three pillars of the Financial Advice New Zealand Constitution, member satisfaction was clear:

- Advocacy 87% say totally on course, or on course
- Promotion 67% say totally on course, or on course
- Standards 88% say totally on course, or on course

One of the best advocates for membership growth are existing members, with 86% saying they would definitely recommend membership of Financial Advice New Zealand to other members.

“I like the feel of Financial Advice New Zealand, it is casual but polished, keep that up.”

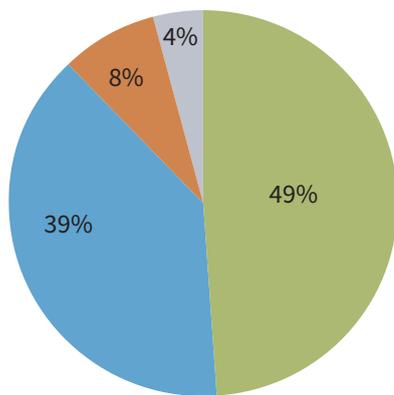
“We’re finally being seen by the Government as a profession with professionals working in it. Probably largely due to the efforts of Financial Advice NZ”



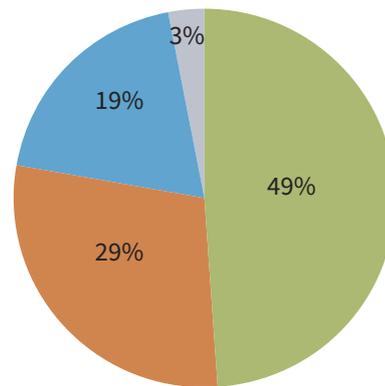
“I feel so empowered and in touch with what is going on in the industry and really appreciate having this resource so I feel more confident and supported helping our customers during this time.”

“The information and webinars you have been providing in this unique time has been great. It highlights the value of the organisation and the benefit you bring to its members. It can be an isolating industry at times, it’s good to be part of something bigger”.

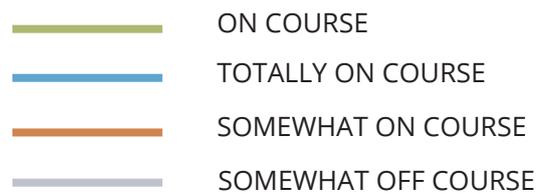
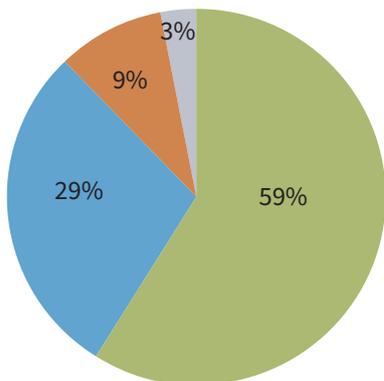
IS WORK ON **ADVOCACY** GOING IN THE RIGHT DIRECTION?



IS WORK ON **PROMOTION** GOING IN THE RIGHT DIRECTION?



IS WORK ON **STANDARDS** GOING IN THE RIGHT DIRECTION?



“I appreciate the excellent advocacy work you are doing”



FROM THE BOARD CHAIR - Sue Brown

During our second year, we've been delighted to see Financial Advice New Zealand move to an increasingly mature, and sustainable, phase of its development.

A relentless focus on the objectives mandated by our founders, and enshrined in our Constitution - to focus on promoting the value of financial advice to consumers; advocating for financial advisers and for financial advice; and on building professional standards for financial advisers - has steadily grown the profile and reputation of Members. As a result, trust has grown. Trust from regulators and legislators, from the media and from the public. The most important trust we earn, though, is your trust - the trust of the members we serve.

Much of this year's focus has been on preparing for the significant changes to be made by the new legislation and regulatory requirements which were to come into effect in June 2020. To ensure all financial advisers are supported through this period of change, Financial Advice New Zealand has created workbooks, workshops, webinars and a licensing helpline to provide practical help for all members. Through active advocacy we

positively influenced many of the legislative changes to make them more workable for financial advisers, and to create an improved outcome for their clients.

And then came Covid-19 and the unprecedented challenges this once-in-a-lifetime crisis has presented.

Our collective reaction to Covid-19 showed clearly the value of being a part of Financial Advice New Zealand. We may have stayed home, but we stayed connected. Through webinars to keep advisers abreast of the impacts of Covid-19 and the launch of the Peer Support Programme, members were more connected and engaged than they have ever been. And, significantly, we successfully lobbied to delay the new legislation's implementation date till March 2021.

It's been wonderful to hear of the ways in which Financial Advice New Zealand members have brought certainty and

stability, and bring the voice of the professional expert to their clients – and to the public – in these uncertain times. Members have stepped up to provide leadership – leadership that will build public confidence and trust in financial advice and financial advisers.

In April, the Board farewelled Independent Director Kate Morrison when she left her position due to taking up full time employment with a financial institution. Kate’s impact as the Consumer Representative made a tangible difference to the decision making in the Boardroom and we thank her for her two-and-a-half-year contribution to the success of Financial Advice New Zealand.

The three Practitioner Directors, John Bolton, Cecilia Farrow and Stephen O’Connor, continued to represent members’ interests, while bringing their own considerable skillset and experience to the discussions around direction and strategy.

The Board continues to focus on the future of the Association while balancing the needs of members today and ensuring the purpose of the Association, “Growing respected, trusted, professional advisers,” is driving our decision making.

We are confident the “Trusted Adviser” mark - which was developed this year and will be launched in the coming months - will help build public confidence and trust. It will complement the existing pinnacle marks – CFP and CLU - and together these marks will ultimately encourage more New Zealanders to access quality financial advice from Financial Advice New Zealand members.

We enter our third year as a sound and sustainable organisation – ready to meet the challenges the ‘new normal’ of Covid-19 throws at us and at our members.

So I’d like to take this opportunity to thank the Board for their commitment and support, the Financial Advice New Zealand CEO and staff for their dedication and enthusiasm, and those members who have volunteered for leadership roles within the organisation. And finally to you - each and every one of our members - for the support you give us, by trusting us to guide your Association into the future.

Sue Brown
Board Chair, Financial Advice New Zealand



FROM THE CEO - Katrina Shanks

It has been my pleasure to serve you, the members of Financial Advice New Zealand, over the past year. I am passionate about the difference financial advice makes in improving the financial health, wealth and wellbeing of New Zealanders. I know you transform people's lives.

My job is to ensure you have access to the tools that can enhance and improve your personal, professional, and business skills so in turn you can support your clients. But in March this year, things were flipped on their heads and we were facing a set of challenges no one had faced before.

When our lives changed with the Covid-19 pandemic, we knew we had to think differently, and so we did. We built an online community through our Bring in the Experts webinars to ensure that continued, and in all, we hosted a massive 5,600 people at 27 of these events.

As part of our support package, we organised for 27 experienced advisers who volunteered to join our Peer Support Programme to be available to the membership at that time of uncertainty and stress.

That was an indication of the strength of our adviser community. And when New Zealand returned to Alert Levels 3 and then 2, we also provided collateral for you and your clients to use to keep you all safe.

All in all, I believe we delivered what members needed for that time, and your feedback reinforces that.

During the year, and as part of a government cross-agency initiative, our Christchurch members continued to provide support to the Mosque victims.

This is a significant personal investment by those members, and is a result of the trust Financial Advice NZ and our advisers have built in the sector. Their work is making a significant difference in extremely difficult circumstances.

Our industry is in the midst of significant change with the switch to transitional licensing and many advisers will need to change their business structures and models. During the year, we provided workbooks to explain the new duties advisers will need to abide by, and we delivered a masterclass as a part of the Get in Shape series, which reached hundreds of advisers. We also offered a transitional licensing hotline where you could discuss transitional licensing, and this proved very popular, receiving hundreds of calls.

We made a number of significant submissions to officials, regulators, and legislators. These were developed through consultation with members and our Member Advisory Committees. The strength of these submissions come from those who actively participate in our organisation, and I thank them all for their contribution. Also, I appreciate the support of those members who provided expert assistance to me when meeting with the officials, regulators and legislators. It's because of all these people, and the considered approach we apply to advocacy, that we have built an organisation that has credibility among sector stakeholders.

We were excited to have a number of public-facing campaigns during the past year. These included social media campaigns around lending and risk advice, Money Week, Certified Financial Planner, World Financial Planning Week, and our Seek an Adviser campaign during Covid-19. Such campaigns are vital if we are to continue to engage meaningfully with consumers so they understand the value of advice. Altogether, some 9,000 consumers returned to our website to seek a financial adviser.

You may have noticed we increased our presence in the national media during the year, with more than 200 mentions from our regular articles and commentary. Having a louder voice in the media allows us to influence both stakeholders and consumers with clear messages on the value of advice and advisers.

Regional events allow connectivity for financial advisers and grow the strength of our community, and all regions have their own leadership teams with a style that works for them. During the year, I met with these teams on a regular basis, gathering valuable feedback on what is happening on the ground. I would like to acknowledge the many volunteers who work on your behalf to provide these opportunities.

We continued to develop the relationships we have with dealer and aggregator groups to ensure we are up to date with the latest knowledge from and needs of the sector as a whole. This helps us get the best

outcomes for our members.

During the year, we commissioned a research project into the value of advice from a consumer perspective. It is due to be made public shortly, and we are excited about the benchmark it will give advisers as they move into the new normal, post-Covid-19. The project was supported by the Business Partnership Programme, which has been a huge success.

Our Conference 2019 Be Brave Be Bold was a huge success, with nearly 600 people attending the two days. We invested significantly in high-calibre international speakers to ensure we were able to provide you with access to new ideas and global perspectives that would challenge your thinking. Little did we know in 2020 we would be facing a new world, and Be Brave Be Bold would be so relevant. A conference of this scale cannot be delivered without our valued sponsors – thank you for your continued support, it is greatly appreciated.

Our Member Advisory Groups are starting to gain traction, and during the year developed and matured into hubs of knowledge. The appointed Chairs and members meet regularly to provide advice on issues of the day and help with submissions. Thanks to those involved for your work. The Certification Committee continued to work silently behind the scenes on its important governance role, especially for the Certified Financial Planner mark, which we hope will grow in the future.

The Board of Financial Advice New Zealand have worked tirelessly in this rapidly changing sector to ensure we can adapt to the new environment, and I would like to thank them, alongside the team at Financial Advice NZ for the commitment and passion they show for the sector. Without their advice, skill, determination, and support we would not have achieved what we have.

The 2019/20 year really has been one for the history books, and I reflect back with a sense of pride at what we have achieved and the resilience we have shown. But there is much uncertainty ahead and we need to be ready for whatever it throws at us. We have a plan that allows for different scenarios, so regardless of what eventuates, we will continue to provide you with the support you require.

Again, thank you all for your continued support over the past year – it has been greatly appreciated.

Katrina Shanks
CEO

BOARD REPORT



Sue Brown, Board Chair | Independent Director

First Appointed - October 2017
Number of Terms - First
Current Term Ends - October 2021
Meeting Attended - 7/7
Strategy Workshops - 2/2



John Bolton, Practitioner Director | Lending

First Appointed - October 2017
Number of Terms - Second
Current Term Ends - October 2022
Meeting Attended - 6/7
Strategy Workshops - 2/2



Cecilia Farrow, Practitioner Director | Risk

First Appointed - September 2018
Number of Terms - First
Current Term Ends - October 2020
Meeting Attended - 7/7
Strategy Workshops - 2/2



Stephen O'Connor, Practitioner Director | CFP & Investments/ Financial Planning

First Appointed - September 2018
Number of Terms - First
Current Term Ends - October 2021
Meeting Attended - 7/7
Strategy Workshops - 2/2



Kate Morrison | Independent Director | Resigned (April 2020)

First Appointed - October 2017
Number of Terms - First
Current Term Ends - Resigned April 2020
Meeting Attended - 6/7
Strategy Workshops - 1/2

MEMBER ADVISORY COMMITTEE REPORT

Financial Advice New Zealand had four Member Advisory Committees (MACs) during the 2019-2020 year. The MACs provide invaluable practitioner insight and expertise across the lending, insurance, investment and financial planning advice fields, and act as advisers to the executive and the Board on key issues facing the industry.

This year's MAC work programmes have reflected the busy legislative agenda therefore they have been focused on the demands of legislation, options papers and the submission process.

The areas the MACs have supported Financial Advice New Zealand advocacy programme are:

- Submission on Proposed Standard Conditions for Financial Advice Provider Transitional Licences
- Submission on Review of Financial Markets Authority Funding and Levy
- Submission on Exposure draft: Financial Markets Conduct (Regulated Financial Advice

- Disclosure) Amendment Regulations 2019
- Submission on Financial Markets (Conduct of Institutions) Amendment Bill
- Select Committee meeting on Financial Markets (Conduct of Institutions) Amendment Bill
- Submission on the FMA's Proposed Standard Conditions for Financial Advice Provider Full Licences and Classes of Financial Advice Service

In addition, the MACs provided valuable input into the proposed Trusted Adviser consultation process.

MAC terms are generally for two years, therefore in January, the Board began the process of asking for expressions of interest for MAC appointments. During this process the Board decided to combine the Investment and Financial Planning MAC under one Chair in recognition of the considerable overlap of member's interests in these areas.

Thank you to the outgoing MAC Committee members and particularly to their Chairs:



JOEL OLIVER

Lending (resigned late 2019)



REGAN THOMAS

Risk



PAUL SEWELL

Financial Planning



TIM FAIRBROTHER

Investment

Welcome to the newly appointed MAC Chairs who began their tenure in May:



DEAN LOGAN

Risk



TONY DENCH

Lending



PAUL SEWELL

Financial Planning/ Investment

Financial Reports



Annual Report

Financial Advice New Zealand
For the year ended 30 June 2020

Prepared by RightWay Limited

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Entity Information

Financial Advice New Zealand For the year ended 30 June 2020

Legal Name of Entity

Financial Advice New Zealand Incorporated

Entity Type and Legal Basis

Incorporated Society

Registration Number

2683851

Entity's Purpose or Mission

Financial Advice New Zealand's mission is to acknowledge the importance and value of financial advice to all New Zealanders, the objects of the Association are to provide a professional association for practising Financial Advisers and Financial Planners that concentrated on three key mandates: Advocacy, Promotion and Standards.

Entity Structure

The organisation is located in Wellington and is governed by a Board which includes two independent directors. These accounts are solely the accounts of Financial Advice New Zealand Incorporated.

Main Sources of Entity's Cash and Resources

Revenues from membership fees, conference registrations, training programmes, grants and the delivery of a liability programme.

Main Methods Used by the Entity to Raise Funds

Funds are predominantly raised through revenue generating activities such as Membership fees invoiced to all members.

Entity's Reliance on Volunteers and Donated Goods or Services

The organisation does not rely on volunteers and donated goods or services. However, as a membership based organisation, Financial Advice has a number of member led committees. These positions are unpaid.

Physical Address

Level 8
342 Lambton Quay
Wellington
New Zealand 6011

Postal Address

PO Box 5513
Lambton Quay
Wellington
New Zealand 6145

INDEPENDENT ASSURANCE PRACTITIONER'S REVIEW REPORT**To the Members of Financial Advice New Zealand Incorporated****Report on the Performance Report**

We have reviewed the performance report of Financial Advice New Zealand Incorporated ("the Entity") on pages 7 to 15, which comprises the entity information, the statement of service performance, the statement of financial performance and statement of cash flows for the year ended 30 June 2020, the statement of financial position as at 30 June 2020, and the statement of accounting policies and other explanatory information.

Members' Responsibility for the Performance Report

The Members are responsible on behalf of the Entity for:

- (a) Identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;
- (b) The preparation and fair presentation of the performance report, which comprises:
 - the entity information;
 - the statement of service performance; and
 - the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report

in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued in New Zealand by the New Zealand Accounting Standards Board; and

- (c) For such internal control as those charged with governance determine is necessary to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

In preparing the performance report, the Members are responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Members either intend to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

Assurance Practitioner's Responsibility

Our responsibility is to express a conclusion on the performance report. We conducted our review in accordance with International Standards on Review Engagements (New Zealand) ISRE (NZ) 2400,

Review of Historical Financial Statements Performed by an Assurance Practitioner who is not the Auditor of the Entity, and the review of the entity information and statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised). Those

standards require us to conclude whether anything has come to our attention that causes us to believe that the performance report, taken as a whole, is not prepared in all material respects in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit). Those standards also requires that we comply with relevant ethical requirements.

A review of the performance report in accordance with ISRE (NZ) 2400 and ISAE (NZ) 3000 (Revised) is a limited assurance engagement. The assurance practitioner performs procedures, primarily consisting of making enquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained. The procedures selected depend on our judgement, including the areas identified where a material misstatement is likely to arise and includes performing procedures to obtain evidence and evaluating whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand) and ISAE (NZ) 3000 (Revised). Accordingly, we do not express an audit opinion on this performance report.

Other than in our capacity as independent review practitioner we have no relationship with, or interests in, the Entity.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that:

- a) the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are not suitable; and
- b) the performance report on pages 7 to 15 does not present fairly, in all material respects,:
 - the entity information for the year then ended;
 - the service performance for the year then ended; and
 - the financial position of Financial Advice New Zealand Incorporated as at 30 June 2020, and its financial performance, and cash flows for the year then ended

in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit).



Crowe New Zealand Audit Partnership

CHARTERED ACCOUNTANTS

24 September 2020

Approval of Financial Report

Financial Advice New Zealand For the year ended 30 June 2020

The Board are pleased to present the approved financial report including the historical financial statements of Financial Advice New Zealand for year ended 30 June 2020.

Approved this 22nd day of September 2020.



Susan Brown

Chairperson

Statement of Service Performance

Financial Advice New Zealand For the year ended 30 June 2020

Description of Entity's Outcomes

Financial Advice New Zealand's mission is to acknowledge the importance and value of financial advice to all New Zealanders in accordance with the constitution and to provide a professional association for practising Financial Advisers and Financial Planners.

Financial Advice New Zealand's successful drive to reach its mission would mean the effective delivery of its three pillars: Promotion, Advocacy and Standards.

Description and Quantification of the Entity's Outputs

The Organisation provides the following

Direct Membership Benefits

- Weekly Newsletters
- Weekly social media updates on Facebook and LinkedIn
- Liability Insurance Programme, Group Life and TPD Insurance Scheme
- Peer Support Scheme for Financial Advisers
- Helpline for transitional licensing

Indirect Membership Benefits are:

Promotion

- The organisation has 2.2 million social media impressions and 9.1 million google display ad impressions
- The website Financialadvice.nz has received 39,423 unique visitors
- Developed five social media campaigns
- Two promotional collateral for advisors was developed
- 765 New LinkedIn Followers

Advocacy

- Submitted to one Select Committee
- Submitted on eight regulation consultation documents
- Attended 20 formal meetings with ministers, officials or regulators
- The CEO attended 140 stakeholder meetings, 10 MAC meetings and 20 regional events or meetings

Standards

- Delivered 82 hours of professional development
- Held 24 networking events and regional meetings
- Provided four one day mortgage courses
- Developed and delivered 12 general webinars
- Delivered 27 Bring in the Experts Webinar Series
- Published five readiness for the new financial advice regime workbooks
- Delivered four Master Classes via a roadshow on readiness for the new regime in four locations
- Provided a conference for the sector

Statement of Financial Performance

Financial Advice New Zealand For the year ended 30 June 2020

	NOTES	2020	2019
Revenue			
Grants, Sponsorship and Other Similar Revenue	1	21,416	-
Fees, Subscriptions and Other Revenue from members	1	1,178,140	1,133,428
Revenue from Providing Goods or Services	1	744,732	682,440
Interest, Dividends and Other Investment Revenue	1	3,603	3,962
Total Revenue		1,947,891	1,819,830
Expenses			
Volunteer and Employee Related Costs	2	681,619	682,830
Costs Related to Providing Goods or Service	2	979,099	945,782
Other Expenses	2	43,415	38,590
Total Expenses		1,704,133	1,667,202
Surplus / (Deficit) Before Tax for the Year		243,759	152,628
Income tax expense			
Income Tax		45,720	9,705
Total Income tax expense		45,720	9,705
Surplus / (Deficit) After Tax for the Year		198,038	142,922

The accompanying notes and accounting policies form part of, and should be read in conjunction with this annual report.

Statement of Financial Position

Financial Advice New Zealand

As at 30 June 2020

	NOTES	30 JUN 2020	30 JUN 2019
Assets			
Current Assets			
Bank Accounts and Cash			
Bank and cash/(bank overdraft)	3	377,139	441,596
Total Bank Accounts and Cash		377,139	441,596
Debtors and Prepayments	3	92,897	392,674
Total Current Assets		470,036	834,270
Non-Current Assets			
Property, Plant and Equipment	5	18,379	23,184
Total Non-Current Assets		18,379	23,184
Total Assets		488,415	857,454
Liabilities			
Current Liabilities			
Credit Cards	4	-	1,631
Creditors and Accrued Expenses	4	68,659	689,375
Employee Costs Payable	4	24,640	3,771
Other Current Liabilities	4	39,490	8,557
Total Current Liabilities		132,789	703,333
Non-Current Liabilities			
Loan Mobile Phone	4	-	774
Total Non-Current Liabilities		-	774
Total Liabilities		132,789	704,108
Total Assets less Total Liabilities (Net Assets)		355,626	153,347
Accumulated Funds			
Capital Contributed by Owners or Members	6	194,145	189,905
Accumulated Surpluses or (Deficits)	6	161,480	(36,558)
Total Accumulated Funds		355,626	153,347

The accompanying notes and accounting policies form part of, and should be read in conjunction with this annual report.

Statement of Cash Flows

Financial Advice New Zealand For the year ended 30 June 2020

	2020	2019
Cash Flows from Operating Activities		
Donations, Fundraising and Other Similar Receipts	20,000	-
Fees, Subscriptions and Other Receipts from members	3,062,982	5,540,723
Receipts from Providing Goods or Services	255,369	1,642,196
Interest, Dividends and Other Investment receipts	702	3,947
Cash Receipts from Other Operating Activities	5,075	-
GST	(60,318)	172,884
Payments to Suppliers and Employees	(3,195,524)	(7,131,323)
CFP Marketing Costs	(27,281)	-
Total Cash Flows from Operating Activities	61,005	228,427
Cash Flows from Investing and Financing Activities		
Capital from Owners or Members	4,240	-
Proceeds from Loans Borrowed from Other Parties	-	4,549
Payments to Acquire Property, Plant and Equipment	(8,290)	(12,843)
Repayments of Loans Borrowed from Other Parties	(775)	(3,774)
Cash Flows from Other Investing and Financing Activities	(120,639)	(3,019)
Total Cash Flows from Investing and Financing Activities	(125,462)	(15,087)
Net Increase/ (Decrease) in Cash	(64,457)	213,340
Cash Balances		
Cash and cash equivalents at beginning of period	441,596	228,256
Cash and cash equivalents at end of period	377,139	441,596
Net change in cash for period	(64,457)	213,340

The accompanying notes and accounting policies form part of, and should be read in conjunction with this annual report.

Statement of Accounting Policies

Financial Advice New Zealand For the year ended 30 June 2020

Basis of Preparation

The entity has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses equal to or less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

Goods and Services Tax (GST)

The entity is registered for GST. All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

Income Tax

Income Tax expense charged to the Statement of Financial Performance recognises the current obligations for the period, calculated using the Taxes Payable method. No Income Tax is charged on transactions within the circle of membership.

Bank Accounts and Cash

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

Revenues

Conference Revenue

Conference income is recognised in the period in which the conference is held.

Subscription Revenue

Subscriptions are accounted for on an accrual basis. The amount charged is based on a set fee.

Sponsorship

Sponsorship income is accounted for on an accrual basis. Any sponsorship for a specific event is recognised in the period of the event.

Interest Income

Interest income is recognised on a time proportionate basis taking into account the effective yield on the financial asset.

Property, Plant & Equipment

PPE are stated at historical cost less any accumulated depreciation and impairment losses.

Depreciation is calculated using the Diminishing Value method at rates between 10% - 50%.

Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

Notes to the Performance Report

Financial Advice New Zealand For the year ended 30 June 2020

	2020	2019
1. Analysis of Revenue		
Grants, Sponsorship and Other Similar Revenue		
Grants	17,391	-
Sponsorship	4,025	-
Total Grants, Sponsorship and Other Similar Revenue	21,416	-
Fees, Subscriptions and Other Revenue from members		
CFP and CLU Licence & Marketing Revenue	55,597	24,219
Insurance Revenue		
Insurance Income	1,575,773	1,423,313
Insurance Costs	(1,506,531)	(1,380,312)
Total Insurance Revenue	69,242	43,001
Membership Subscriptions	1,043,368	1,051,727
Other Revenue	9,933	14,481
Total Fees, Subscriptions and Other Revenue from members	1,178,140	1,133,428
Revenue from Providing Goods or Services		
Business Partnership Programme	44,609	-
Commission Income	44,169	55,996
Professional Development Income	30,609	59,015
Advisers Conference	625,345	567,429
Total Revenue from Providing Goods or Services	744,732	682,440
Interest, Dividends and Other Investment Revenue		
Interest Received	3,603	3,962
Total Interest, Dividends and Other Investment Revenue	3,603	3,962
	2020	2019

2. Analysis of Expenses

Volunteer and Employee Related Costs		
Accident Compensation Levy	1,539	-
Board Director Fees	120,056	130,513
Payroll Fees	905	1,058
Staff training and recruitment	969	210
Wages & Salaries	558,151	551,049
Total Volunteer and Employee Related Costs	681,619	682,830
Costs Related to Providing Goods or Services		
Bank and Merchant Fees	4,556	8,385
Board and AGM Expenses	9,677	12,785
Certification Committee	5,250	11,744
CFP Marketing Costs	24,094	-
Cleaning	5,226	4,507

	2020	2019
Computer / IT Expenses	30,342	16,016
Consulting Fees	53,210	22,225
Contractors	-	21,848
Entertainment	2,156	792
Equipment Hire	3,155	3,520
External Conference Registrations	5,763	-
FPSB - Audit and CFP licence fees	31,017	12,538
General Office Expenses	4,028	6,269
Gifts	678	-
iMIS Member Management System	14,158	22,167
Insurance - Association Liability	9,163	6,862
Legal Fees	15,979	17,525
Member Advisory Committee Costs	261	294
Advisers Conference	464,817	477,217
Photocopier Lease	9,185	9,423
Postage, Courier and Freight	1,845	3,823
Power	2,006	4,639
PR / Marketing / Advertising	140,239	103,770
Printing	6,462	1,977
Professional Development Expenses	7,413	34,963
Regional Meeting expenses	11,746	16,753
Rent Expense	43,504	47,649
Stationary & Office Supplies	6,920	3,712
Subscriptions & Memberships	5,102	2,196
Telephone & Internet	7,273	9,012
Training Course Expenses	18,894	23,625
Travel & Accommodation	33,675	39,027
Website maintenance and hosting	1,308	518
Total Costs Related to Providing Goods or Services	979,099	945,782
Other Expenses		
Audit and Accounting	17,692	12,133
Bad Debts Written Off	946	3,577
Doubtful Debts Allowance	11,139	-
Depreciation	13,095	20,834
Interest Paid	255	375
Penalties - IRD	288	1,671
Total Other Expenses	43,415	38,590
	2020	2019
3. Analysis of Assets		
Bank Accounts and Cash		
ASB 00 Account	38,787	108,418
ASB 01 Account	72,188	-
ASB 50 Account	66,164	717

	2020	2019
ASB Term Deposit 79	200,000	-
BNZ 00 Account	-	54,137
BNZ 25 Account	-	270,436
Paypal	-	7,890
Total Bank Accounts and Cash	377,139	441,596

Debtors and Prepayments

Accounts Receivable	20,356	239,008
Less Provision for Doubtful Debts	(11,139)	(17,500)
Prepayments	83,681	171,167
Total Debtors and Prepayments	92,897	392,674

2020 2019

4. Analysis of Liabilities**Credit Cards**

Credit Card Katrina Shanks	-	1,631
Total Credit Cards	-	1,631

Creditors and Accrued Expenses**Accounts Payable**

Accounts Payable	15,028	12,787
Accounts Payable - Accruals	47,713	25,521
PAYE	-	3,771
Total Accounts Payable	62,741	42,079

GST

(6,436) 17,120

Revenue in Advance

Revenue in Advance	12,355	66,341
Revenue in Advance Conference	-	567,606
Total Revenue in Advance	12,355	633,947

Total Creditors and Accrued Expenses

68,659 693,146

Employee Costs Payable

Annual Leave Liability	24,640	-
Total Employee Costs Payable	24,640	-

Other Current Liabilities

Income Tax Payable	39,489	8,557
Rounding	-	-
Total Other Current Liabilities	39,490	8,557

Loan Mobile Phone

Spark - iPhone 8	-	774
Total Loan Mobile Phone	-	774

	2020	2019
5. Property, Plant and Equipment		
Computer / IT Equipment		
Computer / IT Equipment at Cost	14,487	6,198
Accumulated Depreciation - Computer / IT Equipment	(7,066)	(3,099)
Total Computer / IT Equipment	7,421	3,099
Member Management System		
Member Management System at Cost	16,640	16,640
Accumulated Depreciation - Member Management System	(12,480)	(8,320)
Total Member Management System	4,160	8,320
Office Equipment		
Office Equipment at Cost	6,645	6,645
Accumulated Depreciation - Office Equipment	(3,481)	(2,147)
Total Office Equipment	3,164	4,498
Website Development		
Website Development at Cost	14,535	14,535
Accumulated Depreciation - Website Development	(10,901)	(7,268)
Total Website Development	3,634	7,268
Total Property, Plant and Equipment	18,379	23,184
	2020	2019

6. Accumulated Funds

Accumulated Funds		
Opening Balance	153,347	10,424
Capital Contributed	4,240	-
Accumulated Surpluses or (Deficits)	198,038	142,922
Total Accumulated Funds	355,626	153,347
Total Accumulated Funds	355,626	153,347

7. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 30 June 2020 (2019 - nil).

8. Related Parties

There were no transactions involving related parties during the financial year. (2019 - nil)

9. Events After the Balance Date

There were no events that have occurred after the balance date that would have a material impact on the Performance Report (2019 - nil).

10. Ability to Continue Operating

The entity will continue to operate for the foreseeable future.

Financial Advice
NEW ZEALAND