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**ANNUAL
REPORT**

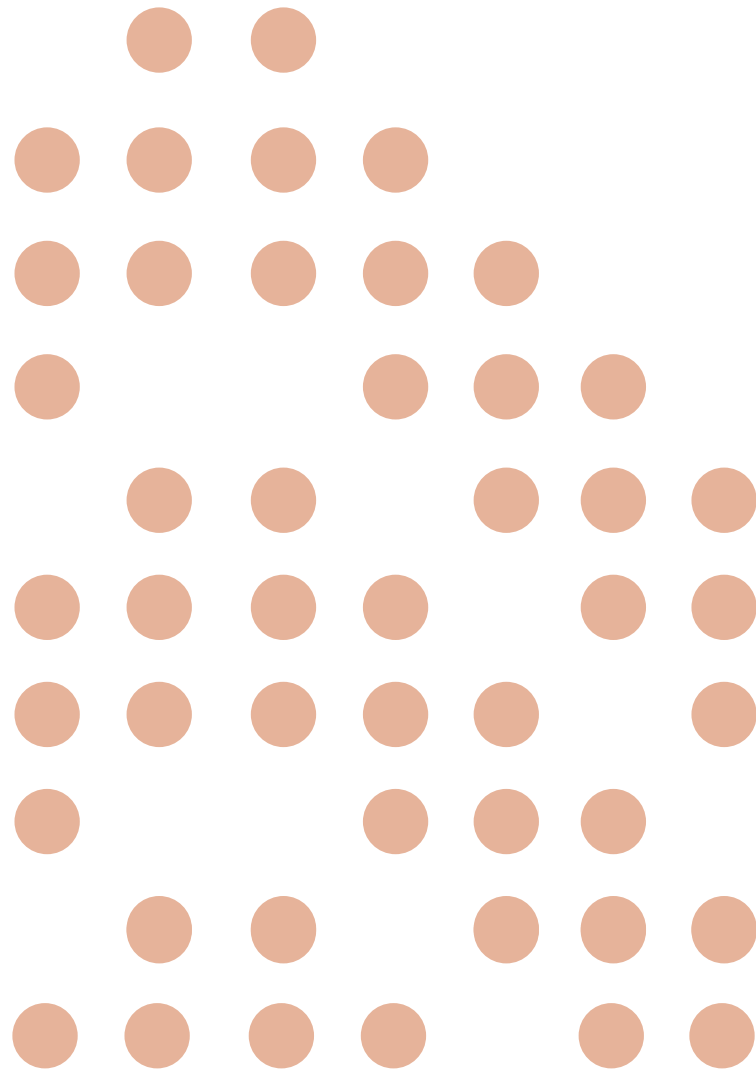


Financial **Advice**
NEW ZEALAND



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OUR STORY

HELPING NEW ZEALANDERS THRIVE

Financial Advice New Zealand is the professional body for financial planning, lending, risk, and investment advisers. As a member of Financial Advice New Zealand, you are part of an association that strives to build a thriving future for financial advice, in an environment that understands and supports what advisers need.

We know through research, the most essential element of financial wellbeing is quality financial advice. By helping advisers do what they do best, and helping more Kiwis access quality advice, together we'll help to improve New Zealand's financial health, wealth, and wellbeing.

We provide a wide range of benefits, education and training initiatives, resources and tools, as well as events and networking opportunities, to help our members grow their businesses, ensure they have competency knowledge and skills, and provide the best possible outcomes for their clients.

Members of Financial Advice NZ have access to:

- Professional events and courses, including the weekly 'Bring in the Experts' webinar series
- A peer-to-peer support service
- A COVID-19 industry resource hub
- Resources and guidance on regulatory obligations and licensing options
- Discounted group Life and TPD insurance
- Professional Liability Cover suited to your needs
- Weekly newsletters highlighting key industry issues and reports
- Internationally recognised certifications for insurance and financial planning
- Independent research and insights
- A voice with legislators, regulators, and officials
- Input into policy development for the financial services sector
- Bespoke ethics courses

THROUGH OUR THREE PILLARS OF STANDARDS, ADVOCACY AND PROMOTION, WE ARE COMMITTED TO PROMOTING THE VALUE OF ADVICE AND TO HELPING MORE NEW ZEALANDERS ACCESS QUALITY ADVISERS.

STANDARDS

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

ADVOCACY

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

PROMOTION

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

A YEAR IN REVIEW

**1 JULY 2020 -
30 JUNE 2021**

A NEW ERA IN FINANCIAL ADVICE

In 2021, we welcomed an additional level of trust in financial advice for the public as the Financial Services Legislation Amendment Act came into effect. Financial Advice NZ has been at the forefront of the new regime, helping advisers prepare in advance and adapt their businesses to the new requirements. As a professional body, we are committed to delivering ongoing education, training, and tools that enable advisers to continue to meet their regulatory obligations and thrive in the new regime - now and into the future.

- **201 NEW MEMBERS
INCLUDING 156 ADVISERS**
- **1,862 PEOPLE WERE MEMBERS AT
SOME STAGE DURING THE YEAR**
- **233 MEMBERS WITH THE CFP^{CM} MARK**
- **61 MEMBERS WITH THE CLU_{CM} MARK**
- **12,002 FIND AN ADVISER CLICKS**
- **1,570 MEMBERS & ASSOCIATES
AS AT 30 JUNE 2021**



BRING IN THE EXPERTS

Over the course of the year, we delivered 45 weekly Bring in the Experts webinars - free for our members. With a regular attendance of over 200 this webinar series has developed a strong following. Financial Advice NZ would like to thank the many expert guests and panelists who have shared their knowledge and insights, whether it was helping advisers to navigate the new regime, providing economic updates, running wellness webinars, or covering all areas of financial planning, risk, lending, and investments.

LIABILITY PROGRAMME

In May, we launched a new Liability Programme, including Professional Indemnity Insurance and bespoke benefits, designed specifically for financial advisers. This comprehensive programme meets the needs of FAPs in both Class 1 (sole advisers) and Class 2 (more than 2 financial advisers in a FAP).

LIFE INFO

Financial Advice NZ was this year kindly gifted the life-info.org.nz website. This website's goal is to help New Zealanders gain the knowledge to understand the value of personal insurances, such as health, life or disability insurance.

TRUSTED ADVISER



In anticipation of the AFA and RFA designations disappearing in March 2021, Financial Advice NZ launched the Trusted Adviser mark to ensure qualifying members have the opportunity to show the public that their high level of qualification, experience and ethics has been recognised by a professional body. The Trusted Adviser mark is awarded to those Financial Advice NZ members who show they have committed to qualifications and continuing professional development obligations at a level higher than that required by New Zealand law and code.

PROFESSIONAL ETHICS WORKSHOP

A core requirement of obtaining the Financial Advice NZ Trusted Adviser mark, The Professional Ethics Workshop was first delivered in February by Financial Advice NZ and The Ethics Conversation. The course supports and enhances the competence of financial advisers seeking to demonstrate their commitment to professional ethics and good practice that underpins all client relationships.



TRUST IN ADVICE RESEARCH REPORT

Thanks to the support of Financial Advice New Zealand's Business Partners and with a generous grant from the PAA Legacy Trust, we engaged CoreData Research, a recognised global specialist in financial services research, to design and manage a 2,000 person survey in July 2020.

The survey quantified the extent New Zealand consumers perceived their experience with a financial adviser as valuable and showed those who sought advice had an overall better perception of their financial health, wealth and wellbeing compared to those who hadn't.

The full report includes a deep dive into each type of advice (financial planning, lending, risk and investment), perceptions of the unadvised, commentary on preparedness for COVID-19 and some incredible statistics on how gaining financial advice has positively helped clients' mental health and family relationships.

The Trust in Advice results definitively show advice has high value through its trustworthiness, good consumer outcomes, service, and results (both tangible and intangible) for New Zealand consumers across all demographics.

2020 FINANCIAL ADVICE NZ CONFERENCE

As a result of the changing environment and uncertainty due to COVID-19, Financial Advice NZ was agile in delivering a unique conference designed for the unique times. The conference was aptly themed 'Bounce' and was successfully delivered across four locations, as well as online, over four days, with an attendance of 450 delegates.

2021 ROADSHOW

We know networking is an important component of belonging to the Financial Advice NZ community. We traversed the country across all five regions with the Financial Markets Authority to unbundle full licensing for advisers. It was great to see so many advisers in each location.

**94% OF THOSE
SURVEYED WHO HAVE
USED AN ADVISER
RATE THEM AS GOOD
OR VERY GOOD WITH
REGARD TO
TRUSTWORTHINESS.**



**THE BEST CONFERENCE I HAVE
EVER BEEN TOO. I SINCERELY
THANK YOU ALL FOR YOUR
EFFORTS. EVERY SESSION I
ATTENDED WAS INFORMATION
FILLED, EXTREMELY INTERESTING
AND RELEVANT, AND GAVE ME
PLENTY TO TAKE AWAY AND
THINK ABOUT.**

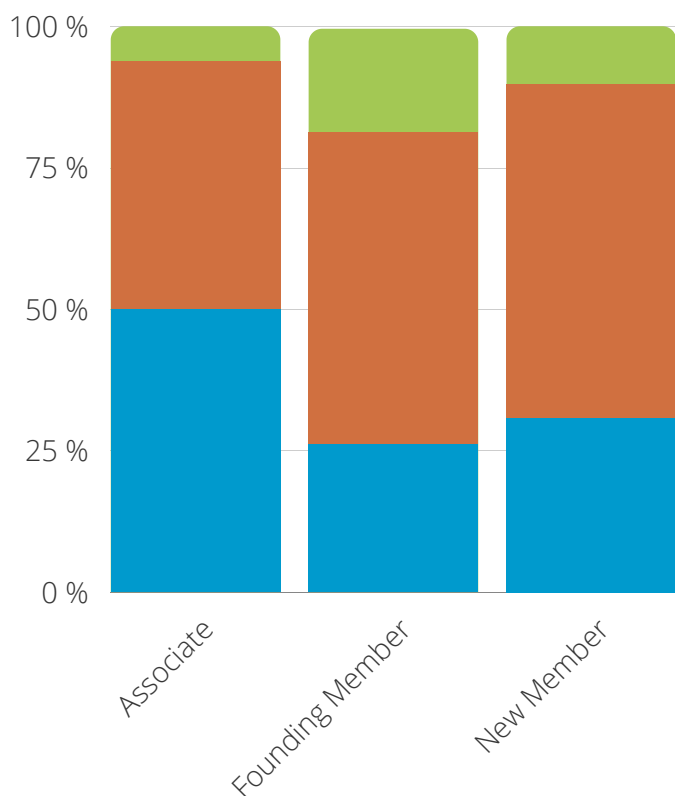
**VERY RARELY CAN THIS BE SAID
ABOUT A CONFERENCE, AND I
WILL BE RECOMMENDING NEXT
YEAR'S EVENT TO ANY
COLLEAGUES I COME ACROSS
WHO DID NOT ATTEND THIS
YEAR. WELL DONE TO YOU ALL!**



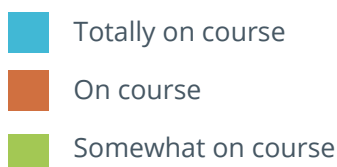
MEMBERSHIP SURVEY RESULTS

The respondents to the membership survey conducted in April 2021 doubled from last year to 290 this year - an 18% overall response rate.

83% OF MEMBERS BELIEVE FINANCIAL ADVICE NZ IS ON COURSE OR TOTALLY ON COURSE



New members rated us higher overall than Founding Members, and Associates were even higher.



COMMUNICATION IS GOING WELL....

89% are satisfied with the level of communication.



MEMBERSHIP RECOMMENDATIONS ARE STRONG...

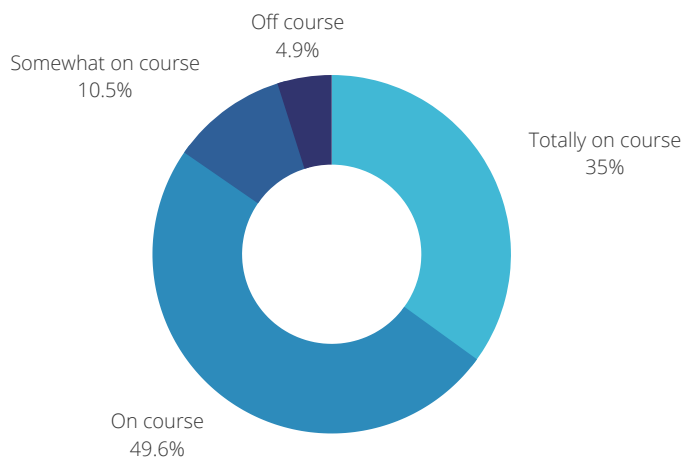
85% are definitely or probably likely to recommend membership to other advisers.



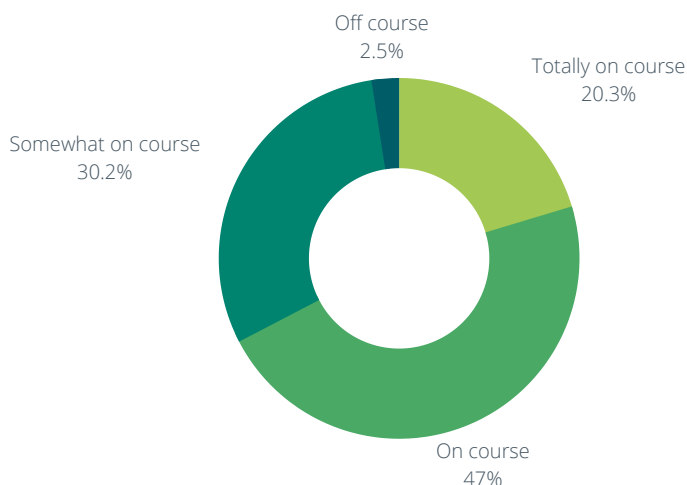
TRANSITIONAL LICENSING INFORMATION WAS VALUED...

87% agree or strongly agree they feel they've been kept informed and supported regarding transitional licensing.

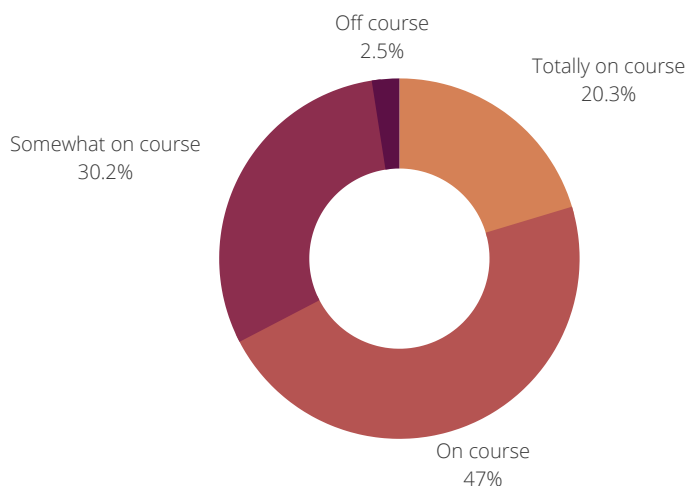
Overall, 82% say ADVOCACY is on course or totally on course.



Rating of PROMOTION has increased from 2020.
67% say PROMOTION is on course compared to 62% last year.



Rating of STANDARDS continues to rate highly.
85% say we are on course or totally on course for STANDARDS compared to 86% last year.



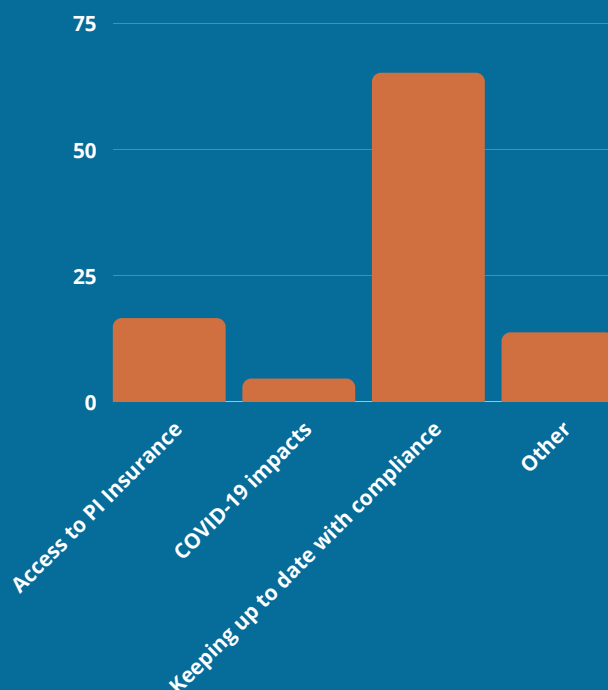
LOOKING AHEAD...

CONCERNS FOR THE NEXT 12 MONTHS:

65% noted keeping up to date with compliance as their biggest issue in the next 12 months.

Of the 13% who noted "other" as their main concern, many noted "all of the above", plus these topics were frequently mentioned:

- Promotion of CLU^{CM} and CFP^{CM} marks and/or reducing numbers
- Gaining CPD credits
- Preparing for full licensing
- Keeping up with clients/new business
- Retiring advisers and other staffing issues



“

FINANCIAL ADVICE NZ HAS BEEN AMAZING OVER THE PAST YEAR AND REALLY STEPPED UP IN DIFFICULT TIMES. REALLY JUST KEEP UP THE MOMENTUM!

I AM GRATEFUL FOR FINANCIAL ADVICE NZ AND BELIEVE STRONGLY IN THE ADVOCACY, PROFESSIONAL DEVELOPMENT AND NETWORK OPPORTUNITIES THEY PROVIDE.

”

FINANCIAL ADVICE NZ STRATEGY

Financial Advice NZ's stated purpose is to be the professional body for the financial advice sector, supporting New Zealanders to achieve choice in their financial matters, and financial security.

Vision: Every financial adviser is a proud member of our professional body

Purpose: Growing respected, trusted, professional financial advisers

- Current phase: Focus on professionalism within the industry
- Later phase: Focus on enabling consumer financial security and freedom of choice

THREE YEAR STRATEGIC PRIORITIES (NOT IN ORDER)



STRATEGIC PRIORITIES FOR THE 2020 - 21 YEAR

JUL-DEC 2020 PRIORITIES



JAN - JUN 2021 PRIORITIES



DELIVERED THROUGH FOCUS IN THE FOLLOWING AREAS:



FROM THE BOARD CHAIR SUE BROWN



IT'S HARD TO BELIEVE IT'S ONLY THREE YEARS SINCE FINANCIAL ADVICE NEW ZEALAND LAUNCHED, WITH THE GOAL OF UNITING FINANCIAL ADVISERS ACROSS ALL SECTORS BEHIND NEW LEVELS OF EXCELLENCE IN GOVERNANCE, ADVOCACY AND STANDARDS.

As Chair, it's been my privilege and pleasure to work with Katrina and the team, with the Board and with you, in this first phase of the association's life, and to see Financial Advice New Zealand grow and mature into a strong and respected professional body.

Significant legislative and regulatory changes this year have changed the landscape of the financial advice sector forever – and the sector looks very different now from how it did three years ago. We knew this was coming, we had planned for it, and with a constant focus on the three foundation pillars of promotion, advocacy and standards, we've supported advisers through what has been an unprecedented period of change.

I'm hugely proud of the way you - our members - have managed through this change, while also dealing with the uncertainty of a global pandemic. Your commitment to supporting New Zealanders to achieve choice in their financial matters, and financial security, deserves our thanks.

The Board's role during this period has been to ensure that, regardless of what is happening within the sector or the wider world, the core objectives of Financial Advice NZ progress - focusing 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.

Over the last three years our advocacy programme has engaged positively and productively with the legislative and regulatory process and has had a positive influence on the legislative changes that have already taken place - and there are more to come. We've helped you, our members, prepare for the new regime through our weekly webinars, workshops and workbooks and we've started the journey of educating New Zealanders about the benefits of quality financial advice.

The independent research "Trust in Advice" we published late in 2020 showed how well your clients already understand this value. Our challenge now is to help all New Zealanders see that quality advice can be beneficial in many aspects of their lives.

One of the key successes this year has been the launch of the Trusted Adviser mark. This quality service mark has been in development since the birth of Financial Advice New Zealand, and I am proud to see the mark now being used by so many advisers. The initial take up has been fantastic and I'm confident more advisers will apply once they are eligible. Along with the pinnacle marks our CLU_{CM} and CFP_{CM} professionals hold, the Trusted Adviser mark helps advisers differentiate themselves in the market, showing their commitment to professional standards higher than those required by regulation.

With the addition of new Independent Directors, Heather Roy and David Kneebone last year, the Board has worked hard to balance the current needs of members, with the broader goals of the association.

In his role as Consumer Representative, David has ensured the voice of the consumer is top of mind in the Boardroom, while Heather has already made a significant impact in shaping our future direction.

Along with the considerable knowledge and skillset of the three Practitioner Directors - John Bolton, Cecilia Farrow and Stephen O'Connor - this six-person Board has enabled effective and strong governance throughout the year.

Our two strategy days, in December and May, helped clarify our strategic priorities to ensure the success of Financial Advice NZ continues over the next three years and longer.

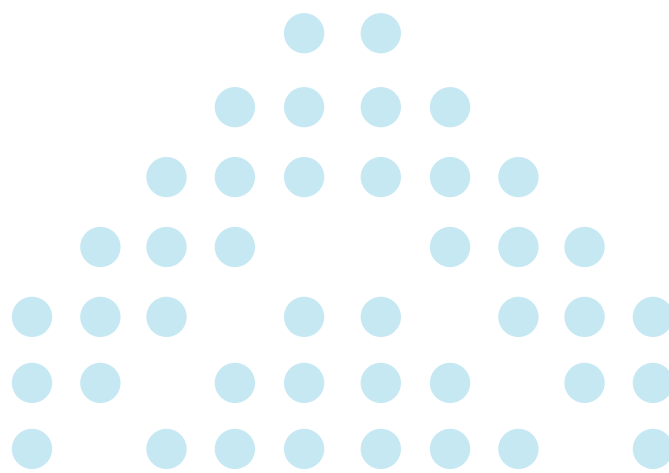
This has been my last year as Chair, and I am confident that what we've achieved over the last three years has provided a solid foundation to ensure the continued success of Financial Advice NZ, and its members.

Financial Advice NZ is no longer an amalgamation of three founding bodies. It knows who and what it speaks for, it knows its strengths, its challenges and its opportunities. It is your professional body. I encourage and challenge you to spread that news among your colleagues in the advice sector who are not yet members, and encourage them to join – together we are stronger!

With the support of a strong membership base, a driven CEO and a committed team in the office, I have every confidence the Board and new Chair will continue to progress what the Establishment Board set out to achieve when Financial Advice NZ was launched in 2018.

I'D LIKE TO TAKE THIS OPPORTUNITY TO THANK THE BOARD MEMBERS FOR THEIR COMMITMENT, SUPPORT AND PROFESSIONALISM; KATRINA AND THE TEAM FOR THEIR TIRELESS MAHI AND SPECTACULAR AGILITY AND INGENUITY IN EXTRAORDINARY TIMES; AND THOSE OF YOU WHO HAVE GIVEN YOUR TIME TO LEADERSHIP POSITIONS OVER THE PAST THREE YEARS.

AND FINALLY TO YOU - OUR MEMBERS, WHETHER YOU JOINED AS A FOUNDING MEMBER THREE YEARS AGO, OR ARE ONE OF THE 450+ NEW MEMBERS WHO HAVE JOINED FINANCIAL ADVICE NEW ZEALAND SINCE LAUNCH - THANKYOU. YOUR VISION AND DRIVE FOR PROFESSIONALISM IS WHAT MAKES THIS ORGANISATION TICK - YOU HAVE AN EXCITING FUTURE!



FROM THE CEO

KATRINA SHANKS

FINANCIAL ADVICE NEW ZEALAND HAS BEEN FOCUSED ON OUR COMMUNITY – OUR MEMBERS, OUR STAKEHOLDERS AND OUR TEAM.

In these uncertain times, with a changing legislative and business environment coupled with a global pandemic, it has never been more important for an organisation to show its heart, compassion, empathy, and humility.

We have continued to stay focused on delivering our three pillars – advocacy, promotion and standards. This is the framework we operate within every day and determines our priorities.

Advocacy has continued to be a significant focus for us with the extension of the implementation of FSLAA to 15 March 2021, the removal of Professional Indemnity Insurance as a licensing condition, access to Professional Indemnity Insurance in the marketplace, to the stalling of CoFI in the debating chamber to ensure the implications on financial advisers could be reviewed. I consider it has been a successful year in listening to the issues and concerns of the sector and influencing change to obtain better outcomes for financial advisers and consumers.

Thank you to the MACs and to the members of the Corporate Associates Forum whose time and wisdom have greatly helped our advocacy efforts.



In regards promotion, we have achieved some incredible results. We launched the Trusted Adviser mark, delivered a 'Value of Advice' social media campaign, delivered a highly successful campaign for our CFP^{CM} professionals, the Money Week campaign, and the World Financial Planning Day campaign. These promotions across Google, Facebook and LinkedIn had a reach of more than 7.9 million and directed over 70,197 New Zealanders to our website. We have secured national coverage in fortnightly Stuff articles, and received national, business, and radio interviews, as well as print media consistently throughout the year. This is the foundation from which we will continue to grow.

Standards continue to be a significant focus of the organisation. We continue to deliver our weekly Bring in the Experts webinar series which has now developed a cult following and is enjoyed by hundreds of our members on a weekly basis.

The change to Transitional Licensing has been significant for many of our advisers and we delivered a number of tools to assist members. This included the Ready Set Go webinar series, transitional licensing booklets to assist you in understanding your duties and obligations, and a master class through the country. In addition to this we delivered a roadshow with the FMA on full licensing requirements, and workshops to assist advisers who were ready to obtain their full licence.

The Trusted Adviser mark was released as a pathway to indicate that an adviser's level of qualification, experience, and focus on ethics has been recognised by a professional body, offering an additional level of reassurance to those seeking financial advice over and above the obligations required by legislation. This has had significant uptake in its first year with 458 members. We are delighted with this result.

We developed and are delivering an Ethics Course which is a component of the Trusted Adviser mark and has also been attended by the sector as a whole. This course has been designed specifically for financial advisers and continues to allow us to be leaders in the sector for the lifting of standards.

I would like to thank you, the members of Financial Advice NZ, for supporting the organisation. In addition, I would like to thank all those members who have held leadership positions and contributed to the success of Financial Advice NZ, and of course, the Board and team who have been incredibly supportive of the journey. I am a true believer quality financial advice increases New Zealanders financial health, wealth and wellbeing and can transform peoples lives.

THANK YOU FOR THE PART YOU HAVE PLAYED IN THE LAST YEAR IN EXTREMELY STRANGE AND STRESSFUL TIMES TO CONTINUE THE SERVICE YOU PROVIDE YOUR CLIENTS.

BOARD REPORT



SUE BROWN
CHAIR

First Appointed: October 2017
Number of Terms: First
Current Term Ends: AGM 2021
Meetings Attended: 9 of 9
Strategy Workshops: 2 of 2



HON. HEATHER ROY
INDEPENDENT DIRECTOR

First Appointed: October 2020
Number of Terms: First
Current Term Ends: AGM 2023
Meetings Attended: 5 of 5
Strategy Workshops: 2 of 2



JOHN BOLTON
PRACTITIONER DIRECTOR
LENDING

First Appointed: October 2017
Number of Terms: Second
Current Term Ends: AGM 2021
Meetings Attended: 9 of 9
Strategy Workshops: 2 of 2



DAVID KNEEBONE
INDEPENDENT DIRECTOR

First Appointed: October 2020
Number of Terms: First
Current Term Ends: AGM 2022
Meetings Attended: 5 of 5
Strategy Workshops: 2 of 2



CECILIA FARROW
PRACTITIONER DIRECTOR
RISK

First Appointed: September 2018
Number of Terms: Second
Current Term Ends: AGM 2023
Meetings Attended: 9 of 9
Strategy Workshops: 2 of 2



STEPHEN O'CONNOR CFP^{CM}
PRACTITIONER DIRECTOR
CFP^{CM} & INVESTMENTS,
FINANCIAL PLANNING

First Appointed: September 2018
Number of Terms: First
Current Term Ends: AGM 2022
Meetings Attended: 9 of 9
Strategy Workshops: 2 of 2

MEMBER ADVISORY COMMITTEE REPORT

Financial Advice New Zealand had three Member Advisory Committees (MACs) during the 2020-2021 year; Lending MAC, Risk MAC and a combined Financial Planning & Investment MAC.

The MACs work silently behind the scenes providing invaluable insight and expertise across the advice fields, and act as advisers to the executive and the Board on key issues facing the industry.

The MACs meet on a regular basis and discuss the environmental changes in the sector and how they impact on financial advisers and the sector as a whole, with a view to proactively achieving better outcomes for financial advisers and consumers.

This year's MAC work programmes have reflected the busy legislative agenda, therefore they have been focused on the demands of legislation, industry guidelines and the submission process. The areas the MACs have supported Financial Advice New Zealand advocacy programme are:

- Submission on Financial Markets (Conduct of Institutions) Amendment Bill
- Submission to FMA on Full Licensing Conditions
- Submission to FMA on KiwiSaver Fees & Value for Money
- Submission to FMA on Recognition of Australian Adviser Qualifications
- Submission to MBIE on a Review of Dispute Resolution Service Rules
- Submission to FMA on Guidance on Advertising Offers
- Submission to FMA on AML Proposed EIV Guidelines

The Financial Planning & Investment MAC has also supported the promotion of the CFP^{CM} mark both internally and through a public marketing campaign.

In addition to formal submissions the MACs discuss and escalate issues which impact on their environments.

THANKYOU TO ALL THE MEMBERS OF THE MAC COMMITTEES, AND PARTICULARLY TO THEIR CHAIRS:



DEAN LOGAN
RISK



TONY DENCH
LENDING




PAUL SEWELL CFP^{CM}
**FINANCIAL PLANNING,
INVESTMENT**


THE CERTIFICATION COMMITTEE




The Certification Committee, which manages the certification of Financial Advice NZ's pinnacle marks, met five times this financial year. They released two case studies, which is the final step for a member seeking to become a CFP^{CM} Professional. Three members successfully completed the case study and were awarded CFP Certification.

Thank you to the assessor, the Certification Committee Chair Simon Hassan (Independent) and the following Financial Advice NZ members who volunteer for this committee; Peter Rea CFP, Lachie Gunn CFP CLU, Tanaz Sigaporia CFP, John Broad CFP CLU and Charlene Overell CFP CLU.



CFP^{CM} and  are registered certification marks and CERTIFIED FINANCIAL PLANNER^{CM} is a common law certification mark owned outside the U.S. by Financial Planning Standards Board Ltd. Financial Advice New Zealand Inc is the marks licensing authority for the CFP Marks in New Zealand, through agreement with FPSB.

CLU^{CM} and  are registered certification marks and Certified Life Underwriter^{CM} is a common law certification mark owned by Financial Advice New Zealand Inc for use in financial services sector in New Zealand.

FINANCIAL REPORTS



Annual Report

Financial Advice New Zealand
For the year ended 30 June 2021

Prepared by RightWay Limited

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Entity Information

Financial Advice New Zealand For the year ended 30 June 2021

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****Report on the Performance Report**

We have reviewed the performance report of Financial Advice New Zealand ("the Entity") on pages 7 to 16, 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 2021, the statement of financial position as at 30 June 2021, 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

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Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit). Those standards also require 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.

Restriction of use

This report is made solely to the Members, as a body. Our review has been undertaken so that we might state those matters we are required to state to them in an Independent Assurance Practitioner's Report 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 review work, for our Independent Assurance Practitioner's Report, or for the conclusions we have formed.

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 16 does not present fairly, in all material respects,
 - the entity information for the year ended 30 June 2021;
 - the service performance for the year then ended; and
 - the financial position of Financial Advice New Zealand as at 30 June 2021, 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).

A handwritten signature in blue ink that reads "Crowe".

Crowe New Zealand Audit Partnership
CHARTERED ACCOUNTANTS

11 October 2021

Approval of Financial Report

Financial Advice New Zealand For the year ended 30 June 2021

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 2021.

Approved this 11th day of October 2021.



Susan Brown

Chairperson

Statement of Service Performance

Financial Advice New Zealand

For the year ended 30 June 2021

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 Bring in the Experts webinar series
- 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
- Transitional licensing workbooks and webinars
- Ethical course bespoke for financial advisers

Indirect Membership Benefits are:

Promotion

- The organisation had 7.9 million social media impressions and google display ad impressions
- The website Financialadvice.nz has received 70,197 unique visitors
- Developed seven social media campaigns
- 1,314 LinkedIn Followers
- Delivered nine Money Week webinars to the public

Advocacy

- Submitted on eight regulation consultation documents
- Attended 15 formal meetings with ministers, officials or regulators
- The CEO attended 121 stakeholder meetings, 9 MAC meetings and 18 regional events or meetings
- Media mentions 246 times

Standards

- Delivered 125 hours of professional development
- Delivered 45 Bring in the Experts Webinars
- Updated and published five readiness for the new financial advice regime workbooks
- Delivered a roadshow on readiness for the new regime in four locations
- Delivered a national conference for the sector both online and in person across four locations over four days
- Delivered 13 Ethics Courses

Statement of Financial Performance

Financial Advice New Zealand
For the year ended 30 June 2021

	NOTES	2021	2020
Revenue			
Grants, Sponsorship and Other Similar Revenue	1	50,032	21,416
Fees, Subscriptions and Other Revenue from members	1	1,119,008	1,178,140
Revenue from Providing Goods or Services	1	306,100	744,732
Interest, Dividends and Other Investment Revenue	1	4,621	3,603
Total Revenue		1,479,761	1,947,891
Expenses			
Volunteer and Employee Related Costs	2	722,589	681,619
Costs Related to Providing Goods or Service	2	562,569	979,099
Other Expenses	2	16,285	43,415
Total Expenses		1,301,443	1,704,133
Surplus / (Deficit) Before Tax for the Year		178,318	243,759
Income tax expense			
Income Tax		11,583	45,720
Total Income tax expense		11,583	45,720
Surplus / (Deficit) After Tax for the Year		166,735	198,038

Statement of Financial Position

Financial Advice New Zealand
As at 30 June 2021

	NOTES	30 JUN 2021	30 JUN 2020
Assets			
Current Assets			
Bank Accounts and Cash			
Bank and cash/(bank overdraft)	3	493,933	377,139
Total Bank Accounts and Cash		493,933	377,139
Debtors and Prepayments	3	142,017	92,897
Total Current Assets		635,950	470,036
Non-Current Assets			
Property, Plant and Equipment	5	22,341	18,379
Total Non-Current Assets		22,341	18,379
Total Assets		658,291	488,415
Liabilities			
Current Liabilities			
Creditors and Accrued Expenses	4	129,018	68,659
Employee Costs Payable	4	27,936	24,640
Other Current Liabilities	4	(21,023)	39,490
Total Current Liabilities		135,931	132,789
Total Liabilities		135,931	132,789
Total Assets less Total Liabilities (Net Assets)		522,361	355,626
Accumulated Funds			
Capital Contributed by Owners or Members	6	194,145	194,145
Accumulated Surpluses or (Deficits)	6	328,215	161,480
Total Accumulated Funds		522,361	355,626

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 2021

	2021	2020
Cash Flows from Operating Activities		
Donations, Fundraising and Other Similar Receipts	51,263	20,000
Fees, Subscriptions and Other Receipts from members	2,965,397	3,062,982
Receipts from Providing Goods or Services	521,886	255,369
Interest, Dividends and Other Investment receipts	1,716	702
Cash Receipts from Other Operating Activities	5,827	5,075
GST	(145,676)	(60,318)
Payments to Suppliers and Employees	(3,228,163)	(3,222,806)
Total Cash Flows from Operating Activities	172,250	61,005
Cash Flows from Investing and Financing Activities		
Capital from Owners or Members	-	4,240
Proceeds from Loans Borrowed from Other Parties	-	-
Payments to Acquire Property, Plant and Equipment	(5,818)	(8,290)
Repayments of Loans Borrowed from Other Parties	-	(775)
Cash Flows from Other Investing and Financing Activities	(49,639)	(120,639)
Total Cash Flows from Investing and Financing Activities	(55,456)	(125,462)
Net Increase/ (Decrease) in Cash	116,794	(64,457)
Cash Balances		
Cash and cash equivalents at beginning of period	377,139	441,596
Cash and cash equivalents at end of period	493,933	377,139
Net change in cash for period	116,794	(64,457)

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 2021

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)

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%.

As a result of COVID19 the IRD issued a policy whereby assets under the value of \$5,000 could be claimed in full from 17 March 2020 to 16 March 2021. Those under \$5,000 have been registered on the Fixed Asset schedule and claimed full deduction. From 17 March 2021, the asset threshold decreased to \$1,000.

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 2021

	2021	2020
1. Analysis of Revenue		
Grants, Sponsorship and Other Similar Revenue		
Grants	44,577	17,391
Sponsorship	5,455	4,025
Total Grants, Sponsorship and Other Similar Revenue	50,032	21,416
Fees, Subscriptions and Other Revenue from members		
CFP and CLU Licence & Marketing Revenue	51,450	55,597
Insurance Revenue		
Insurance Income	1,609,186	1,575,773
Insurance Costs	(1,565,752)	(1,506,531)
Total Insurance Revenue	43,434	69,242
Membership Subscriptions	1,011,389	1,043,368
Other Revenue	12,735	9,933
Total Fees, Subscriptions and Other Revenue from members	1,119,008	1,178,140
Revenue from Providing Goods or Services		
Advisers Conference	146,520	625,345
Business Partnership Programme	24,000	44,609
Commission Income	69,395	44,169
Professional Development Income	66,185	30,609
Total Revenue from Providing Goods or Services	306,100	744,732
Interest, Dividends and Other Investment Revenue		
Interest Received	4,621	3,603
Total Interest, Dividends and Other Investment Revenue	4,621	3,603
	2021	2020

2. Analysis of Expenses

Volunteer and Employee Related Costs		
Accident Compensation Levy	1,382	1,539
Board Director Fees	139,633	120,056
Consultants - External	36,351	-
Payroll Fees	874	905
Staff training and recruitment	10,551	969
Wages & Salaries	533,798	558,151
Total Volunteer and Employee Related Costs	722,589	681,619
Costs Related to Providing Goods or Services		
Advisers Conference	99,045	464,817
Bank and Merchant Fees	3,513	4,556
Board and AGM Expenses	20,227	9,677
Certification Committee	11,178	5,250

	2021	2020
CFP Marketing Costs	24,551	24,094
Cleaning	5,731	5,226
Computer / IT Expenses	32,915	30,342
Consulting Fees	53,298	53,210
Entertainment	1,324	2,156
Equipment Hire	2,952	3,155
External Conference Registrations	-	5,763
FPSB - Audit and CFP licence fees	14,549	31,017
General Office Expenses	1,565	4,028
Gifts	279	678
iMIS Member Management System	17,171	14,158
Insurance - Association Liability	9,417	9,163
Legal Fees	-	15,979
Member Advisory Committee Costs	-	261
Minor Assets	1,743	-
Photocopier Lease	7,256	9,185
Postage, Courier and Freight	961	1,845
Power	1,587	2,006
PR / Marketing / Advertising	91,500	140,239
Printing	1,669	6,462
Regional Meeting expenses	19,445	11,746
Rent Expense	46,388	43,504
Stationary & Office Supplies	3,375	6,920
Subscriptions & Memberships	4,595	5,102
Telephone & Internet	9,482	7,273
Training & Professional Development	50,259	26,306
Travel & Accommodation	23,881	33,675
Website Maintenance	2,715	1,308
Total Costs Related to Providing Goods or Services	562,569	979,099
Other Expenses		
Audit and Accounting	11,460	17,692
Bad Debts Written Off	5	946
Doubtful Debts Allowance	(6,039)	11,139
Depreciation	10,855	13,095
Interest Paid	4	255
Penalties - IRD	-	288
Total Other Expenses	16,285	43,415
	2021	2020

3. Analysis of Assets

Bank Accounts and Cash

ASB 00 Account	64,558	38,787
ASB 01 Account	6,484	72,188
ASB 50 Account	47,108	66,164

	2021	2020
ASB Credit 2679	783	-
ASB Term Deposit 79	375,000	200,000
Total Bank Accounts and Cash	493,933	377,139

Debtors and Prepayments

Accounts Receivable	79,613	20,356
Less Provision for Doubtful Debts	(5,100)	(11,139)
Prepayments	67,504	83,681
Total Debtors and Prepayments	142,017	92,897

	2021	2020
4. Analysis of Liabilities		

Creditors and Accrued Expenses**Accounts Payable**

Accounts Payable	30,281	15,028
Accounts Payable - Accruals	101,515	47,713
Total Accounts Payable	131,796	62,741

GST	(20,928)	(6,436)
Revenue in Advance	18,150	12,355
Total Creditors and Accrued Expenses	129,018	68,660

Employee Costs Payable

Annual Leave Liability	27,936	24,640
Total Employee Costs Payable	27,936	24,640

Other Current Liabilities

Income Tax Payable	(21,023)	39,489
Total Other Current Liabilities	(21,023)	39,489

	2021	2020
5. Property, Plant and Equipment		

Computer / IT Equipment

Computer / IT Equipment at Cost	14,487	14,487
Accumulated Depreciation - Computer / IT Equipment	(10,777)	(7,066)
Total Computer / IT Equipment	3,711	7,421

Member Management System

Member Management System at Cost	16,640	16,640
Accumulated Depreciation - Member Management System	(14,560)	(12,480)
Total Member Management System	2,080	4,160

Office Equipment

Office Equipment at Cost	6,645	6,645
Accumulated Depreciation - Office Equipment	(4,172)	(3,481)
Total Office Equipment	2,473	3,164

	2021	2020
Website Development		
Website Development at Cost	29,353	14,535
Accumulated Depreciation - Website Development	(15,275)	(10,901)
Total Website Development	14,078	3,634
Total Property, Plant and Equipment	22,341	18,379
	2021	2020

6. Accumulated Funds

Accumulated Funds		
Opening Balance	355,626	153,347
Capital Contributed	-	4,240
Accumulated Surpluses or (Deficits)	166,735	198,038
Total Accumulated Funds	522,361	355,626
Total Accumulated Funds	522,361	355,626

7. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 30 June 2021 (2020 - nil).

8. Related Parties

There were no transactions involving related parties during the financial year. (2020 - nil)

9. Events After the Balance Date

Between the completion of the financial year and the signing of the financial statements the world has experienced a global pandemic known as COVID-19 which has led to unprecedented global disruption, office and business closures and the likelihood of a significant global recession. Financial Advice New Zealand has been required to shut its office and all staff are required to self-isolate and work from home for a minimum of 4 weeks from 18 August 2021. However, the impact of COVID 19 has had minimal effect on the operations of the organisation.

10. Ability to Continue Operating

The entity will continue to operate for the foreseeable future.



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