

# Workplace Savings NZ

Te māngai penapena ā-mahi

## **ANNUAL REPORT**

### **2010**

**Workplace Savings NZ Incorporated**

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**WORKPLACE SAVINGS NZ INCORPORATED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS 2010**

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## **Workplace Savings NZ – our Mission**

The mission of Workplace Savings NZ is to be the Voice of Workplace Savings, advancing the sustainable, effective, and efficient delivery of workplace savings outcomes for all involved.

## **Workplace Savings NZ – Our Strategic Direction**

- Promote Workplace Savings NZ as the “Voice of Workplace Savings”
- Work with the Government to develop policies that achieve improved workplace savings and KiwiSaver outcomes.
- Identify and promote initiatives and reforms that will provide efficiencies and enhancements to minimise the extent to which regulatory factors impede delivery of effective and efficient workplace savings outcomes, and those that will encourage sustainable participation in workplace savings.
- Support employers, trustees and providers in their delivery of optimal workplace savings outcomes
- Improve public confidence in workplace savings by consistently reinforcing integrity, accountability, and professionalism within the workplace savings industry
- Serve Workplace Savings NZ members, and its supporters, by providing a range of services to meet their needs and deliver value for their participation.

## Report from the Chair

Workplace Savings NZ continues to be the voice of workplace savings, promoting great workplace savings outcomes for New Zealand.

We do this by:-

- originating submissions and commentary on existing and proposed legislative and public policy measures,
- promoting legislative and public policy initiatives beneficial to optimal workplace retirement savings outcomes, and
- providing education and other related services to members through our conferences, forums, industry functions, and workshops, as well as
- recognising excellence in workplace retirement savings communication through our annual awards.

Our focus is on ensuring we make a real difference for all those with an interest in the delivery of effective long term retirement savings outcomes for workers – including stand-alone Workplace Super, Complying Super Funds and KiwiSaver.

In 2011 we again look forward to the continuing support of our members and financial supporters in making our voice heard where it counts.

### **2010 Successes**

- **Workplace Savings 20/20.**

Our National Conference and Super Expo were held at the Convention Centre in Christchurch. Our return to Christchurch marked the end of a twelve year absence from hosting our Industry Conference in the south island. The Conference was a huge success, with outstanding attendance numbers, and very positive feedback from delegates on both the content and location.

- **The “People’s Choice KiwiSaver Communications Award”.**

Following on from the fiercely contested 2009 Communications Awards, we again had

strong interest and competition in each category of the 2010 Communications Awards. More details are provided later in this report, but what is really encouraging for us is the increasing quality of the communications we are seeing to contest these awards, which is a real credit to the industry for the effort that is being made in this area. We are looking forward to seeing the bar being lifted even further in 2011.

- **Workplace Savings and Financial Service Provider Regulation Seminars**

In June 2010 we presented a seminar series for members on the impact of financial service provider regulation on workplace savings arrangements, with the regulatory requirements a constantly moving target. In the end, we were delighted with the extent of regulatory relief afforded workplace schemes. The extensive effort put in by Workplace Savings NZ to ensure that a sensible regulatory approach was taken for workplace schemes, has certainly been vindicated.

- **Legislation, Regulation & Reform.**

Once again in 2010, we have continued to work with Government and its officials to ensure employers, and product providers, who assist employees with workplace retirement savings solutions, are not deluged with an overwhelming burden of compliance requirements. During 2010 we made submissions, amongst others, on:-

1. Financial Service Providers (Pre-Implementation Adjustments) Bill
2. Financial Markets (Regulators & KiwiSaver) Bill
3. Securities Trustees and Statutory Supervisors Bill
4. Savings Working Group Report'
5. Review of Securities Law

The pace of legislative change did not abate in 2010 with the introduction of the registration system for financial service providers, and substantial reforms proposed for the overall regulation of financial markets. We also had proposals tabled for a full overhaul of our regime for offering securities (including superannuation scheme and KiwiSaver membership) and detailed proposals for retail KiwiSaver scheme reporting obligations. These reforms will generate significant activity over the year ahead, both for Workplace Savings NZ and our members from every corner of the industry.

## **Looking Forward**

There's plenty on the plate for 2011 and beyond for Workplace Savings NZ:

KiwiSaver provider forums will continue to be facilitated by Workplace Savings NZ, helping to drive best practice processes to enhance the KiwiSaver experience for KiwiSaver members.

The introduction of a new 'Workplace Savings Professional' membership category for Workplace Savings NZ.

Possible implementation of the recommendations of the Savings Working Group.

The prospect of yet another round of changes for KiwiSaver coming out of Budget 2011.

Further legislative changes in the form of new retail KiwiSaver disclosure rules being finalised and the Securities Act review being progressed, along with changes to the KiwiSaver Act to provide for the restructuring of KiwiSaver schemes with a more logical separation of roles between trustee and provider and the licensing of retail KiwiSaver scheme trustees.

The 2011 one-day Workplace Savings NZ forum – Savings on the Brink.

And inevitably, a whole lot more!

## **Who makes-up the Workplace Savings NZ Council?**

(As at 31 March 2011)

**Chair** David Ireland, BCA LLB MNZTA  
Kensington Swan

**Vice-Chair** Dianne Kidd  
Independent Director

**Treasurer** Murray Sarelius, BBS CA  
KPMG

**Councillors** David Biegel  
Mercer (N.Z.) Limited

David Boyle  
OnePath (NZ) Limited

Graham Evans, BSc AIA AIAA  
Independent Consultant

Kerry Haycock  
Airways Superannuation Plan

Sasha Mandich  
Russell Investments

Ian Miller  
Tower Asset Management

David Wallace  
AMP Financial Services

### **Appreciations**

Workplace Savings NZ could not function without the help of a large number of people and organisations and it is proper and fitting that in this report there is an acknowledgement of the thanks that are due to:

- the Workplace Savings NZ Councillors for their energy and commitment to advising better workplace savings outcomes for New Zealand, including the significant efforts spent on crafting our numerous submissions;
- the Council sub-committee and our Secretariat who organised "Workplace Savings 20/20" - our very successful 2010 Conference and Super Expo held in Christchurch;
- the Education Programme presenters for their time and expertise;
- the judges of the annual Workplace Savings NZ Communication Awards for their time and dedication to the task;
- our financial sponsors, without whom Workplace Savings NZ could not have achieved the significant outcomes it did produce in 2010; and
- our professional advisers, in particular Kensington Swan and Splash Consulting for the assistance provided on various issues affecting the day-to-day operations of Workplace Savings NZ and technical input into our initiatives.

In addition, thanks need to be given to all of the Members of Workplace Savings NZ. We thank you for your continuing support in yet another year of considerable change. Your ongoing contribution and participation in Workplace Savings NZ initiatives will continue to be critical to our future success.

As part of that participation, we continue to encourage our members to talk with us about the workplace savings issues that matter most to you – our Secretariat’s door is always open to those with a continuing interest in improving workplace retirement savings outcomes.

We look forward to your continuing support in 2011 and beyond.

A handwritten signature in black ink, appearing to read 'D Ireland', written in a cursive style.

David Ireland, BCA LLB MNZTA

**Chair**

31 March 2011

## 2010 – A YEAR IN REVIEW

### Our Submissions & Public Consultations

2010 was another very busy year for legislative and regulatory reform. In the year to 31 December 2010 Workplace Savings NZ made submissions on the:

- Taxation (Annual Rates, Trans Tasman Savings Portability, KiwiSaver, and Remedial Matters) Bill;
- Implementation of the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 Discussion Document;
- Financial Service Providers (Pre-Implementation Adjustments) Bill 2009
- Supplementary Order Paper (No 113) to the Financial Service Providers (Pre-Implementation Adjustments) Bill 2009;
- Retirement Commissioners 2010 Retirement Income Policy Review;
- Securities Trustees and Statutory Supervisors Bill 2010;
- Code of Professional Conduct for Authorised Financial Advisers – Draft for Consultation dated 2 July 2010;
- Review of Securities Law – Discussion Paper - June 2010;
- Social assistance integrity: defining family income – Issues Paper, August 2010;
- Financial Markets (Regulators and KiwiSaver) Bill

We were also active in making submissions at various Select Committees on those issues we considered warranted more expansion for committee members and their officials.

The above submissions can be viewed on our website:

[www.workplacesavings.org.nz/2010-submissions/](http://www.workplacesavings.org.nz/2010-submissions/)

In the wake of the 2010 Budget we also worked proactively with the Securities Commission to ensure our members were not caught-up with unintended compliance costs.

Workplace Savings NZ helped deliver member benefit by way of supporting yet another Securities Act exemption:

- Securities Act (Taxation Changes Affecting Investment Statement Disclosure) Exemption Notice 2010

We also successfully lobbied for unincorporated groups of scheme Trustees to have the ability to register as one entity when registering under the Financial Service Providers (Registration and Dispute Resolution) Act 2008.

## **Our Industry Activities**

### **Workplace Savings NZ 2010 National Conference**

“Workplace Savings 20/20” was the theme of the 2010 National Conference held in August at Christchurch Convention Centre.

As we have done in past years, Workplace Savings NZ once again attracted a very high standard of international and domestic keynote speakers who covered a range of relevant and interesting topics.

Delegates have told us that our 2010 National Conference in Christchurch was a refreshing change, after a decade of being hosted in Auckland. The feedback was clear that this was a Conference that was thoroughly enjoyed by the almost 200 delegates who attended.

Workplace Savings NZ remains committed to ensuring that our one-day Forums, and two-day Conferences, continue as the peak industry event for those engaged in the workplace savings industry in New Zealand.

In 2011 we will once again be hosting a one-day Forum on issues critical to workplace savings in New Zealand. This year’s Forum will be held at the Pullman Hotel in Auckland on 25 August 2011.

We will share more of the details on the Forum programme with members over the course of the second quarter of 2011.

## **2010 Communication Awards**

The Workplace Savings NZ Communication Awards remain highly valued by both recipients and the workplace savings industry.

We believe our Communication Awards set the benchmark for industry good communication practice. We were delighted with the level of interest in the 2010 communication awards, highlighting the continued importance being placed on effective communication.

Workplace Savings NZ would like to thank the competition judges for volunteering their time and expertise to judge the 2010 entries. The judges who selected the Award recipients were:-

- Helen McKenzie, Head of Distribution, Tyndall Investment Management NZ;
- Anna Griffiths, Senior Marketing Advisor, Retirement Commission; and
- Bruce Kerr, Executive Director, Workplace Savings NZ

As was the case in 2009, the number of entries together with a compressed timeline from the competition closing to the Award Ceremony, presented a challenge for the judging panel. We cannot commend their efforts enough on behalf of all participants.

Congratulations go to all the winners, in particular the winner of the overall Excellence in Communication Award, who was the:

### **Dairy Industry Superannuation Scheme**

The winners of the individual categories were:

*Annual Reporting of the Year*

#### **Dairy Industry Superannuation Scheme**

*Investment Statement of the Year*

#### **Kiwibank Limited**

*Best Other Workplace or KiwiSaver Communication*

#### **Kiwibank Limited**

The winning entries can be seen at:

[www.workplacesavings.org.nz/example-documents-3/](http://www.workplacesavings.org.nz/example-documents-3/)

Now in its second year, the People's Choice KiwiSaver Communications Award represents excellence in communicating with KiwiSaver members, and is the highlight of the Workplace Savings NZ industry Communication Awards.

The People's Choice Award is voted on by people who are members of a KiwiSaver scheme, with those people rating how well they perceived their provider communicated with them throughout the 2010 calendar year.

The Award is aimed at benchmarking the quality of industry communication, and encouraging continuous communications improvement, which in turn we hope will help improve financial literacy standards amongst KiwiSavers.

The winner of the 2010 People's Choice KiwiSaver Communications Award was:

### **Fisher Funds KiwiSaver Scheme**

#### **Education Programme**

The Workplace Savings NZ Certificate in Trusteeship comprises four modules;

- Introduction to Trusteeship,
- Introduction to Wholesale Investing,
- Advanced Investing
- Best Practice Governance.

The Workplace Savings NZ Certificate recognises a commitment to learning industry best practice. We continue to encourage members of Workplace Savings NZ who act in a trustee capacity to make completion of the Workplace Savings NZ Certificate their minimum formal learning benchmark.

The Education Sub-Committee is tasked with ensuring that these education modules continue to be relevant, of interest and in demand. Member feedback on course content is always welcomed. In 2011 will once again be delivered on an 'on demand' basis, with courses scheduled to meet member need. Members should lodge their expressions of interest and preferred timing with the Secretariat to enable this to be co-ordinated.

#### **Industry Breakfasts and Seminars**

In 2010, in partnership with Women in Super, we once again hosted a series of successful breakfast meetings in Wellington and Auckland.

Breakfasts continue to be a very useful forum for informative discussions, with time for members to meet and exchange views in a relaxed environment. Workplace Savings NZ

has a planned programme of industry events on important issues spread over the remainder of 2011.

We welcome contributions of topical ideas for our Industry Breakfast, so if you wish to give us feedback or ideas for future events please contact the Secretariat.

## **SuperNews**

*SuperNews*, the Association's electronic newsletter for members, continues to be published bimonthly, with the 2010 editions being well received. *SuperNews* contains information of interest to Workplace Savings NZ members, as well as providing brief, topical updates on current issues and upcoming events. Offers of in-depth articles on topical industry issues remain very welcome.

## **Our People – Industry Participation**

### **Membership**

There were 121 members of Workplace Savings NZ as at 31 December 2010 (2009: membership was 131).

From the perspective of assets under management, the membership of Workplace Savings NZ continues to cover about 90% of retirement savings held through workplace retirement savings arrangements, being corporate super, Master Trusts and KiwiSaver schemes, strengthening our position as the "Voice of workplace savings" – our well enjoyed reputation on behalf of our members and the workplace savings industry generally.

We believe that the workplace savings landscape will continue to evolve and change in 2011 and beyond, and for this reason we will focus on the issues of key importance for our members in 2011 which includes consistently refreshing the direction of our voice to ensure we remain relevant for our members. We will also continue to encourage greater participation from employers that are master trust or KiwiSaver participants, whilst retaining relevance for our core superannuation fund members.

Retention and growth of membership continues to be critical to our ongoing success. Achieving membership growth will be made easier if existing members and product & service providers to the industry become active advocates of the good work undertaken by Workplace Savings NZ.

## Council Membership during 2010

The affairs of Workplace Savings NZ are managed by an elected Council of between seven and twelve member representatives. During 2010, the appointed officials were:

Chairman:	David Ireland
Vice-Chairman:	Dianne Kidd
Treasurer:	Murray Sarelius
Association Secretary:	Bruce Kerr

The full list of Councillors who served during the 2010 year is as follows:

Name	Initial Year of Election	Status
Dianne Kidd	2006	Re-Elected 2009, Ceasing office in 2011
David Ireland	2007	Re-Elected 2010, Continuing
Murray Sarelius	2007	Re-Elected 2010, Continuing
Monica Davis	2008	Resigned in August 2010
Graham Evans	2008	Standing for re-election in 2011
Ian Miller	2008	Standing for re-election in 2011
Sasha Mandich	2010	Continuing
David Biegel	2010	Continuing
David Boyle	2010	Continuing
Kerry Haycock	2010	Co-opted to replace Monica Davis.
David Wallace	2010	Continuing

Workplace Savings NZ greatly appreciates and would like to publicly acknowledge the contribution made by Monica Davis.

## Council Sub-Committees

During 2010 the following Council sub-committees took much of the workload in the areas of:

- **Profile and Growth** – which focussed on branding & marketing, membership, website, industry breakfasts, SuperNews, sponsorships, communication awards, internal engagement & financial budget;  
Committee comprised: Ian Miller (Convenor), David Biegel & Graham Evans;

- **Public Policy** – which focussed on building relationships with politicians, submissions on legislative developments, proactive lobbying, promotion of public debate, our website & financial budget;

Committee comprised: David Wallace (Convenor), Kerry Haycock & Murray Sarelius.
- **Education** – which focussed on specialist industry training courses, Workplace Savings NZ marketing collateral & marketing plan for courses, key industry relationships, Workplace Savings NZ 2009 Forum, our website & financial budget;

Committee comprised: Dianne Kidd (Convenor), David Ireland & Sasha Mandich;
- **KiwiSaver 20/20** – which focuses on all initiatives relating to KiwiSaver and KiwiSaver Providers forums.

Committee comprised: David Boyle (Convenor), David Biegel & David Wallace
- **Media Relations** – which focussed on relationships with the media, preparation and release of media statements and articles;

Committee comprised: Association Chairman & the Executive Director.

In addition, the Council established a sub-Committee to plan and complete the 2010 National Conference & Super Expo.

### **Council Meetings**

During 2010 the Workplace Savings NZ Council met six (6) times - 16 March, 28 April (AGM), 15 July, 26 August, 1 November, and 8 December.

For reasons of cost containment, most Council meetings were held by teleconference. Council Sub-Committees also met on numerous occasions, again mostly by teleconference, during the year.

### **Secretariat**

Workplace Savings NZ has a small secretariat to manage and implement business initiatives:

Executive Director	Bruce Kerr, Dip. Bus. Studies
Administrative Assistant	Shelley Grace

Office	Workplace Savings NZ Level 2, ANZ Bank Chambers 49 Courtenay Place P O Box 19-194 Wellington 6149
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Web Site [www.workplacesavings.org.nz](http://www.workplacesavings.org.nz)

### **Financial Supporters 2009/2010**

Again in 2010, Workplace Savings NZ engaged with a number of industry participants who have become our financial sponsors. In return for their financial assistance each supporter receives a range of tangible benefits from Workplace Savings NZ as well as significant brand exposure. It is appropriate that we formally acknowledge and thank our financial sponsors who are:

#### ***Gold Supporters***

AMP Financial Services/AMP Capital Investors  
ASB Group Investments  
AXA New Zealand

#### ***Silver Supporters***

OnePath (NZ) Limited  
Mercer (N.Z.) Limited  
TOWER Asset Management Limited

#### ***Bronze Supporters***

Chapman Tripp  
KPMG  
Russell Investment Group Limited  
Simpson Grierson  
Tyndall Investment Management NZ Limited  
Westpac New Zealand Limited

Our financial sponsor structure currently sees us with a Silver Sponsor vacancy.

If there are any providers to the Workplace Savings who would like to discuss this opportunity with us please contact our Executive Director.

## FINANCIAL RESULTS

It is very pleasing to report that the financial results for the year ended 31 December 2010 show an operating surplus of \$42,869 (following two years of deficits - 2008 of \$23,954 and 2009 of \$54,534), resulting in member funds having increased to \$192,029 at year end.

Major financial performance factors in 2010 compared with previous years were:

- a lift in membership subscription income of \$66,667 (\$50,578 in 2009).
- a surplus of \$42,655 from the two-day 2010 National Conference held in Christchurch (\$19,830 from our two -day Conference held in Auckland in 2008),
- sponsorship income of \$100,462 (\$90,000 in 2010),
- a reduced level of interest income at \$8,432 (\$10,830 in 2009)
- a much reduced level of expenses associated with submissions and the 2010 Communications Award of \$6,349 (\$25,362 in 2009), and
- professional support with media relations reduced to \$9,300 (\$13,020 in 2009).

Council targeted increased revenue and a reduction in operating costs in 2010 as we continued to deliver value for our members and supporters on a sustainable basis.

The surplus recorded was indeed pleasing and in line with budget.

Once again in 2011 we will continue our financial focus on minimising operating costs; however this will not be done at the expense of continuing to deliver value for our members and supporters.

The Workplace Savings NZ Financial Statements for year ending 31 December 2010 follow.

**WORKPLACE SAVINGS NZ INCORPORATED**

**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED  
31 DECEMBER 2010**

	<b>2010</b>	<b>2009</b>
<b><u>INCOME</u></b>		
Association Breakfasts	13,658	14,830
Communication Awards	696	1,244
Conference Income	131,002	31,256
Education Programme	5,626	6,731
Interest Received	8,432	10,187
Less Tax on Interest	<b>-2,230</b>	<b>-2,756</b>
Membership Fees – Note 3	66,667	50,578
Seminars	4,165	-
Sponsorship	100,462	90,000
<b><u>Total Income</u></b>	<b>328,478</b>	<b>202,070</b>
<b><u>EXPENDITURE</u></b>		
A.C.C. Levy	482	572
Association Breakfast Expenses	15,586	19,788
Audit Fees	3,860	3,860
Bad Debts	-	18
Bank & Credit Card Charges	1,254	948
Communication Awards	6,323	12,550
Conference Expenses	88,347	26,910
Council Meeting Expenses	3,019	956
Depreciation	324	724
Education Programme – Delivery	2,069	925
Education Programme – Development	-	2,787
General Expenses	12,952	7,026
Interest Paid	-	16
Legal Expenses	-	7,302
Marketing Expenses	2,188	5,147
Media Releases	9,300	13,020
Postage General	800	640
Printing & Stationery	6,926	5,516
Rent & Rates	15,500	14,750
Repairs & Maintenance Computer	563	1,143
Seminar Expenses	3,230	9,927
Software Purchased	220	-
Submission Expenses	26	12,812
Survey Expenses	-	-
Telephone & Tolls	1,974	2,290
Wages	104,975	100,995
Web-Site	5,691	5,982
<b><u>Total Expenses</u></b>	<b>285,609</b>	<b>256,604</b>
<b><u>SURPLUS/DEFICIT FOR THE YEAR</u></b>	<b>42,869</b>	<b>-54,534</b>

The accompanying accounting policies and notes form an integral part of these financial statements.

**WORKPLACE SAVINGS NZ INCORPORATED**

**STATEMENT OF MOVEMENTS IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2010**

	<b>2010</b>	<b>2009</b>
	\$	\$
Members' Funds Previous Year	149,160	203,694
Surplus/Deficit for Current Year	42,869	<b>-54,534</b>
<b>Members' Funds End of Year</b>	<b>192,029</b>	<b>149,160</b>

**STATEMENTS OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2010**

	<b>2010</b>	<b>2009</b>
	\$	\$
<b><u>Current Assets</u></b>		
Accrued Interest	3,522	2,138
Association Debtors	7,731	-
BNZ Current Account	16,093	3,836
GST Refund	2,005	10,659
Tax Refundable	1,534	-
Term Deposits	243,488	178,914
	274,373	195,547
<b>Fixed Assets</b> – Note 4	527	851
<b>TOTAL ASSETS</b>	<b>274,900</b>	<b>196,398</b>
<b><u>Current Liabilities</u></b>		
Accounts Payable	8,971	9,423
GST Payable	-	-
Holiday Pay Liability	3,447	-
Tax Payable	-	137
Sponsorship in Advance	70,275	37,500
Subscriptions in Advance	178	178
<b>TOTAL LIABILITIES</b>	<b>82,871</b>	<b>47,238</b>
<b><u>NET ASSETS</u></b>	<b>192,029</b>	<b>149,160</b>
Represented by:		
<b>Member Funds</b>	<b>192,029</b>	<b>149,160</b>



**Treasurer**

Date: 26 April 2011



**Executive Director**

Date: 26 April 2011

The accompanying accounting policies and notes form an integral part of these financial statements.

## WORKPLACE SAVINGS NZ INCORPORATED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

#### **NOTE 1**

##### **STATEMENT OF ACCOUNTING POLICIES**

###### **General Accounting Policies**

Workplace Savings NZ Incorporated (the "Association") is registered as an incorporated society under the Incorporated Societies Act 1908. These financial statements have been prepared under NZ Generally Accepted Accounting Practice (NZ GAAP) and comply with the Financial Reporting Act 1993.

The Association has not implemented the New Zealand Equivalents to the International Financial Reporting Standards (NZ IFRS). The requirement to adopt NZ IFRS was delayed for small entities by the Accounting Standards Review Board (ASRB). The Association is considered a small entity.

The following general accounting policies have been adopted in the preparation of the Financial Statements.

- (i) The measurement base adopted is that of historical cost and reliance is placed on the fact that the Association is a going concern.
- (ii) Accrual accounting is used to record expenses and revenue.

###### **Particular Accounting Policies**

Particular accounting policies which materially affect the measurement of surplus financial position have been applied as follows:

###### Depreciation

Depreciation has been calculated using the diminishing value method to amortise the cost of the assets over their expected lives.

###### Goods and Services Tax - GST

The financial statements are presented on a GST exclusive basis.

###### Revenue

Revenue from membership fees is recorded based on registrations made for the financial year. Revenue from conference fees is recorded based on event attendance for the financial year conferences are held. Revenue from sponsorship income is split into current financial year with advance payments accrued to the following accounting period(s).

###### **Changes in Accounting Policy**

There have been no changes in accounting policies and all policies have been applied on bases consistent with those used in previous years.

#### **NOTE 2**

##### **Differential Reporting**

The Association qualifies for certain exemptions under the "Framework for Differential Reporting" issued by the New Zealand Institute of Chartered Accountants as it does not have public accountability and is within the prescribed level of assets and revenues.

The Association has taken all available exemptions.

#### **NOTE 3**

##### **Membership Fees Received**

In 2010 Council approved restructuring of the Associations membership.

The 2010 Membership fees received were:-

<u>Membership Category</u>	<u>2010</u>
<b>Schemes</b>	\$
1-150 Members	2,133
151-500 Members	6,933
501-1,000 Members	6,400
1,000+ Members	<u>17,067</u>
	32,533
<b>Employers</b>	
1-25 Employees	1,600
26-100 Employees	2,667
101-500 Employees	8,000
500+ Employees	<u>4,267</u>
	16,534
<b>Service Providers</b>	
1-100 Employees	8,000
101-500 Employees	3,200
500+ Employees	<u>4,267</u>
	15,467
<b>Individuals</b>	<u>2,133</u>
<b>Total Membership Fees</b>	<u>66,667</u>

Comparative membership income for the 2009 year was:

<u>Membership Category</u>	2009
	\$
2-150 Members	8,356
151-500 Members	12,000
501-1,000 Members	10,400
Over 1,000 Members	18,578
Individual Members	<u>1,244</u>
Total Membership Fees	<u>50,578</u>

#### **NOTE 4**

##### **Fixed Assets**

	<b>Rate %</b>	<b>Cost Price</b>	<b>2010 Depreciation</b>	<b>Accumulated Depreciation</b>	<b>Book Value 2010</b>	<b>Book Value 2009</b>
Computer	60.0	1,298	32	1,276	22	54
Printer	60.0	484	12	475	8	20
NoteBook	60.0	1,421	98	1,356	65	163
Projector	60.0	1,688	116	1,611	77	194
Office Furniture	15.6	552	66	198	355	420
		<b>5,443</b>	<b>324</b>	<b>4,916</b>	<b>527</b>	<b>851</b>

#### **NOTE 5**

##### **Lease Commitments**

The Association has entered into the following lease arrangements:-

1. A premises lease arrangement for 1 year to 31 March 2011 at a fixed annual rate plus variable operating expenses; and
2. An equipment lease arrangement for 3 years to 23 November 2012 at a fixed annual rate plus variable operating expenses.

<b>Lease Expense</b>	<b>Current Commitment</b>	<b>Non-current Commitment</b>
Office space	\$3,875	\$0
Document Centre	\$4,980	\$4,565

# AUDIT REPORT



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORKPLACE SAVINGS NZ INCORPORATED

### Report on the Financial Statements

We have audited the financial statements of Workplace Savings NZ Incorporated on pages 17 to 20, which comprise the statement of financial position as at 31 December 2010, and the statement of financial performance and the statement of movements in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the Members, as a body. 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 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.

### The Executive Council's Responsibility for the Financial Statements

The Executive Council is responsible for the preparation and fair presentation of financial statements, in accordance with generally accepted accounting practice in New Zealand, and for such internal control as the Executive Council determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibilities

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates, as well as the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other than in our capacity as auditor, we have no relationship with or interests in Workplace Savings NZ Incorporated.

### Opinion

In our opinion, the financial statements on pages 17 to 20:

- comply with generally accepted accounting practice in New Zealand; and
- present fairly, in all material respects, the financial position of Workplace Savings NZ Incorporated as at 31 December 2010, and its financial performance for the year ended on that date.

Chartered Accountants  
26 April 2011  
Wellington, New Zealand