



GROW THE FINANCIAL
CONFIDENCE
& **WELLBEING**
OF NEW ZEALANDERS

FINANCIAL SERVICES COUNCIL

ANNUAL REPORT

2024

Financial Services
Council NZ

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THE ROLE OF THE FINANCIAL SERVICES COUNCIL

MISSION, VISION AND PURPOSE OF FINANCIAL SERVICES COUNCIL

As the voice of the sector, the Financial Services Council (FSC) is a non-profit member organisation with a vision to grow the financial confidence and wellbeing of New Zealanders. FSC members commit to delivering strong consumer outcomes from a professional and sustainable financial services sector. Our 110+ members manage funds of more than \$100 billion and pay out claims of \$3.2 billion per year (life and health insurance). Members include the major insurers in life, health, disability and income insurance, fund managers, KiwiSaver and workplace savings schemes (including restricted schemes), professional service providers and technology providers to the financial services sector.



VISION

Grow the financial confidence and wellbeing of New Zealanders.



PURPOSE

The voice of New Zealand's financial services industry.

STRATEGIC INTENT



STRONG AND SUSTAINABLE CONSUMER OUTCOMES

The financial services industry must continue to deliver great products and services that deliver to the wealth, protection and wellbeing of New Zealanders.



SUSTAINABILITY OF THE FINANCIAL SERVICES SECTOR

The sector is key for the prosperity of New Zealand through the way we serve New Zealanders, to the jobs we create, to the insurance claims we pay and to the way in which we help people save for retirement.



INCREASING PROFESSIONALISM AND TRUST OF THE INDUSTRY

This requires the industry to continuously improve, address the hard issues and increase the trust and transparency of the sector.

ABOUT THE FINANCIAL SERVICES COUNCIL



THE FSC'S AIMS ARE TO:

- be recognised as an organisation that represents the interests of the New Zealand financial services industry, including to regulators and government
- promote best practice and integrity in the financial services industry, including through the institution of codes of conduct, standards and the publication of guidance for industry participants
- promote the financial services industry for the economic benefit of New Zealand and to enhance the sustainability of the industry, whilst recognising the primacy of the interests of consumers
- develop and promote evidence-based policies and practices designed to assist New Zealanders to build and protect their wealth
- promote the financial services industry as a medium for investment and protection for consumers
- promote, assist and generally advance the interests of members.

MESSAGE FROM THE INDEPENDENT CHAIR



Rob Flannagan
INDEPENDENT CHAIR

Tēnā koutou members, welcome to the Financial Services Council 2023/24 Annual Report.

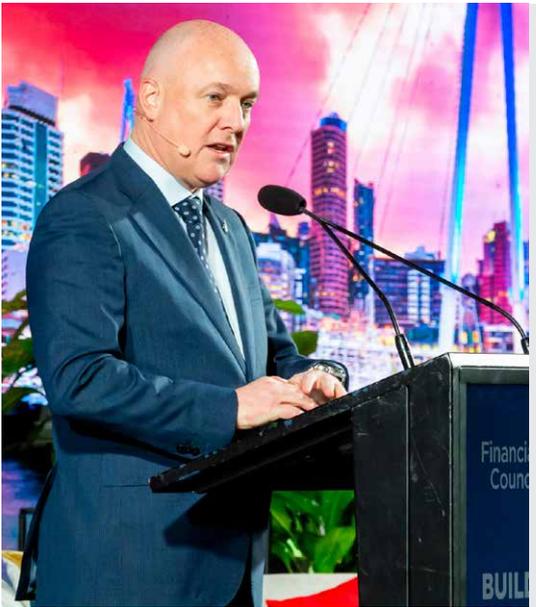
This year has been noteworthy for the FSC where we have benefited from the growth of previous years and continued to raise the bar in terms of engagement, setting a stable course for ongoing growth and delivering greater value to our members.

While the economy continues to recover from the impacts of COVID-19, the country has faced multiple challenges – from cost-of-living pressures, a technical recession, inflation and much of the year spent anticipating the outcome of the 2023 election. These challenges have affected not only consumers but also business confidence as companies sought ways to navigate these uncertain times. This period also saw an active calendar of mergers and acquisitions as organisations adapted to the evolving landscape.

The FSC was no exception, with the merger of Women in Super NZ into the FSC in March 2024, creating *Empower Women*. This new community brings together individuals in the financial services sector who are passionate about driving change for New Zealanders, incorporating the membership of Women in Super NZ. This merger allows us to further focus on improving the financial wellbeing of Kiwi women, building on the momentum of our *It Starts With Action* campaign from 2022.

In addition, the FSC Board has approved the 2024–2027 strategy, designed to align and focus the work of our committees and sectors. Developed with input from the FSC CEO forums, we aim for each forum to develop its own strategy and workplans, which will then guide the efforts of our committees and working groups. The FSC has also begun to form a strong policy and advocacy arm to drive strategy, starting with the release of the *Blueprint for Growth* in August 2023 and our *KiwiSaver Policy Positions* in 2024.





This year, senior politicians have started to consistently attend FSC events as a platform for major announcements to the financial services sector, reflecting the strength of our engagement with government. Our 2023 FSC Conference, *Building Consumer Confidence*, was attended by 653 delegates over three days. Keynote speakers included the Prime Minister Rt. Hon. Christopher Luxon (Leader of the Opposition at the time), former Minister of Finance Hon. Grant Robertson, current Minister of Finance Hon. Nicola Willis (Deputy Leader of the Opposition at the time) and Deputy Prime Minister Winston Peters, who took part in a panel discussion. Minister of Commerce and Consumer Affairs Hon. Andrew Bayly also delivered a keynote at our *Outlook 2024* event.

This year also marked a shift in leadership for the FSC. Richard Klipin departed after seven years as CEO, and Naomi Ballantyne, former Managing Director of Partners Life, stepped down as Deputy Chair. I extend the FSC Board's and my gratitude

to both for their significant contributions in shaping the FSC into the organisation it is today. I would also like to thank Haydee Stroud for stepping in as Acting CEO, providing stability and ensuring a smooth transition during this period. We look forward to seeing the FSC continue to flourish under Kirk Hope's leadership, who commenced his appointment in September 2024.

On behalf of the FSC Board, I would like to thank the Ministers, government, regulators and all our members for their collaboration in continuing to support New Zealanders. A special thank you goes to the FSC team, whose resilience, professionalism and commitment have been key to our success. Finally, I would like to express my appreciation to the FSC Board who, alongside leading their own businesses, have provided invaluable guidance and counsel throughout the year.

Ngā mihi, Rob.

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER



Kirk Hope
CEO

Tēnā koutou, tēnā koutou, tēnā koutou katoa.

As I join the FSC in September 2024, I feel both excited and privileged to lead the organisation through what promises to be a transformative period of growth and impact for the industry.

With the financial services sector facing rising pressures from the cost-of-living crisis and evolving regulatory priorities, the need for a united industry to drive meaningful change has never been greater. Our focus remains clear, built around three key areas of strategic intent: achieving strong and sustainable outcomes for consumers, ensuring the long-term sustainability of the financial services sector and enhancing professionalism and trust within the industry. My priority is to ensure these strategies are executed, guided by the FSC's priorities, to effectively serve FSC members, the wider financial services community and ultimately all New Zealanders.

I look forward to working closely with our members, government, regulators and other key stakeholders to shape fit-for-purpose policies during this period of great opportunity. Following a change of government, we expect a busy regulatory landscape ahead, and our members are eager to see progress, particularly in areas such as KiwiSaver in the coming year. A vital part of this transformation will be the effective allocation of resources to deliver tangible outcomes that resonate with the values of both our members and the broader New Zealand public. These outcomes will help build a more sustainable, innovative and resilient financial services sector.

Efficiency will remain at the forefront of our approach. Every decision and initiative we undertake must align with our core mission: delivering value to our members while advancing key policy and industry leadership objectives.

It is inspiring to see such an engaged and passionate membership base, committed to delivering positive outcomes for their customers and united in our goal to grow the financial confidence and wellbeing of all New Zealanders.

On behalf of the FSC team, I thank you for your continued support throughout the year, and I look forward to driving meaningful outcomes together in the year ahead.

Ngā mihi nui, Kirk.



DRIVING OUR VISION

POLICY, REGULATION AND ADVOCACY

11
REGULATORY
FORECAST
REPORTS



20
REGULATORY
AND POLICY
SUBMISSIONS

FSC BLUEPRINT FOR GROWTH
AND KIWISAVER POLICY
POSITIONS PUBLISHED

LEADERSHIP AND INSIGHT

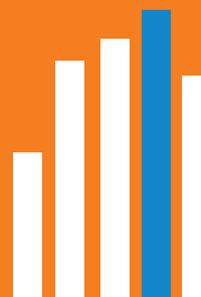
4
RESEARCH
REPORTS
LAUNCHED

Including *Financial Resilience Index 2023*, annual tracker of the financial wellbeing of New Zealanders



OUTLOOK
2024 EVENT

SECTOR DATA
SPOTLIGHTS



COMMUNITY OF PROFESSIONALS



653
CONFERENCE
ATTENDEES

5,017 LINKEDIN
FOLLOWERS



9 WEBINARS



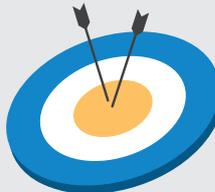
175+
MEDIA ARTICLES
AND MENTIONS

SENIOR MINISTERS
AND OFFICIALS
SPEAKING AT FSC23
CONFERENCE AND
OUTLOOK 2024

570
MEMBERS
INVOLVED IN
COMMITTEES



117
MEMBER
ORGANISATIONS



INDUSTRY BEST PRACTICE

396
EMPOWER WOMEN
MEMBERS

FSC CODE
OF CONDUCT



3
INDUSTRY
GUIDES AND
REPORTS

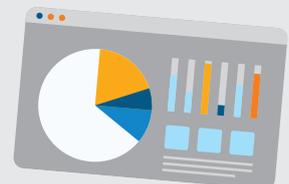
CONSUMER

10+
ARTICLES FOR
EVERYDAY KIWIS



2 CONSUMER CAMPAIGNS:
MONEY MONTH AND MERRY MONEY

CLIMATE SCENARIO
NARRATIVES FOR
THE FINANCIAL
SERVICE SECTOR
PUBLISHED





PERFORMANCE REPORT

**FINANCIAL SERVICES
COUNCIL OF NEW
ZEALAND INCORPORATED
FOR THE YEAR ENDED
30 JUNE 2024**

Prepared by VGA Chartered
Accountants Ltd



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INDEPENDENT AUDITOR'S REPORT



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Level 1, 525 Cameron Road,
Tauranga 3110
PO Box 15660, Tauranga 3144
New Zealand

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FINANCIAL SERVICES COUNCIL OF NEW ZEALAND INCORPORATED

Opinion

We have audited the general purpose financial report of Financial Services Council of New Zealand Incorporated ("the Society"), which comprise the financial statements on pages 8 to 22, and the service performance information on page 7. The complete set of financial statements comprise the statement of financial position as at 30 June 2024, the statement of comprehensive revenue and expense, statement of changes in assets/equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the accompanying financial report presents fairly, in all material respects:

- the financial position of the Society as at 30 June 2024, and (of) its financial performance, and its cash flows for the year then ended; and
- the service performance for the year ended 30 June 2024, in accordance with the entity's service performance criteria,

in accordance with Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR") issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit of the financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and the audit of the service performance information in accordance with the ISAs and New Zealand Auditing Standard (NZ AS) 1 *The Audit of Service Performance Information (NZ)*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Society in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Board Member' Responsibilities for the General Purpose Financial Report

Those charged with governance are responsible on behalf of the Society for:

(a) the preparation and fair presentation of the financial statements and service performance information in accordance with Public Benefit Entity Standards RDR issued by the New Zealand Accounting Standards Board;

(b) service performance criteria that are suitable in order to prepare service performance information in accordance with Public Benefit Entity Standards RDR; and

PARTNERS: Fraser Lellman CA Janine Hellyer CA Paul Manning CA Donna Taylor CA Linda Finlay CA Michael Lim CA

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(c) such internal control as those charged with governance determine is necessary to enable the preparation of the financial statements and service performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial report those charged with governance are responsible for assessing the Society'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 those charged with governance either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole, and the service performance information are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and NZ AS 1 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate or collectively, they could reasonably be expected to influence the decisions of users taken on the basis of this general purpose financial report.

A further description of the auditor's responsibilities for the audit of the general purpose financial report is located at the XRB's website at <https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-14/>

This description forms part of our auditor's report.

Who we Report to

This report is made solely to the Society's Board Members, as a body. Our audit work has been undertaken so that we might state those matters which 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 Society and Society's Board Members, as a body, for our audit work, for this report or for the opinions we have formed.



BDO Tauranga
Tauranga
New Zealand
11 October 2024

DIRECTORY

PURPOSE OF THE SOCIETY

The Financial Services Council of New Zealand Incorporated (FSC) continues to represent the interests of life, health, disability and income insurance, fund managers, KiwiSaver and workplace savings schemes (including restricted schemes), professional service providers, and technology providers, to the Government, including regulators, policy-makers and Ministers. Law firms, audit firms, and other providers to the financial services sector are represented among the broader FSC membership. The vision of the FSC is to grow the financial confidence and wellbeing of New Zealanders, and this is supported by the FSC strategic intent for:

1. Strong and sustainable consumer outcomes
2. Sustainability of the financial services sector
3. Increasing professionalism and trust of the industry

To achieve this, the FSC has coordinated responses to regulation and policy consultations relevant to the membership. It has commissioned and published data and research relevant to the industry and consumers, and organised community events to promote best practice.

IRD NUMBER

067-359-763

OFFICERS OF THE SOCIETY

Independent Chair: Rob Flannagan

Acting Chief Executive Officer: Haydee Stroud

BOARD MEMBERS

Adam Boyd, Fiona Mackenzie, Gail Costa, Grant Willis, James McDonnell, Naomi Ballantyne (resigned 30 March 2024), Nick Astwick, Nick Stanhope, Nigel Jackson, Peter Forster, Ana-Marie Lockyer (appointed 1 November 2023), Anna Scott (appointed 1 November 2023), Campbell Mitchell (appointed 1 November 2023), Michael Weston (appointed 1 April 2024).

CHARTERED ACCOUNTANTS

VGA Chartered Accountants Ltd
Unit G12, 23 Edwin Street
Mt Eden, Auckland 1024

Phone: 09 638 8736

BANKERS

BNZ

AUDITORS

BDO Tauranga

PHYSICAL AND POSTAL ADDRESS

Level 17, Commercial Bay Tower
11 - 19 Customs Street West, Auckland 1010

ENTITY INFORMATION

LEGAL NAME OF ENTITY

Financial Services Council of New Zealand
Incorporated (FSC)

ENTITY TYPE

Incorporated Society

REGISTRATION NUMBER

831771

ENTITY'S PURPOSE OR MISSION

The FSC's vision is to grow the financial confidence and wellbeing of New Zealanders.

The vision is supported by its purpose of being the voice of New Zealand's financial services industry.

ENTITY STRUCTURE

The Financial Services Council of New Zealand Incorporated is an incorporated society.

It is governed by the Board which comprises representatives from member organisations.

MAIN SOURCES OF ENTITY'S CASH AND RESOURCES

FSC is funded by subscriptions and fees paid by regular members and associate members. These are set by the Board. Members and Associate Members provide representation and, in some cases, financial resources to committees formed by the Board to work on specific industry issues.

STATEMENT OF SERVICE PERFORMANCE

Financial Services Council of New Zealand Incorporated
For the year ended 30 June 2024

VISION

Grow the financial confidence and wellbeing of New Zealanders.

PURPOSE

The voice of New Zealand's financial services industry.

STRATEGIC INTENT

1. Strong and sustainable consumer outcomes.
2. Sustainability of the financial services sector.
3. Increasing professionalism and trust of the industry.

FSC members commit to delivering strong consumer outcomes from a professional and sustainable financial services sector. Members include the major insurers in life, health, disability and income insurance, fund managers, KiwiSaver and workplace savings schemes (including restricted schemes), professional service providers, and technology providers to the financial services sector.

The FSC regularly engages with key political ministers, industry-led forums, and government agencies advocating for good public policy. We do this through the development of policy documents, consultation submissions and keeping the sector informed on regulations and policy.

The FSC manages a network of committees, working groups, advisory groups, workshops and roundtables to regularly consult with the government and sector on important issues that affect the financial confidence and wellbeing of New Zealanders.

The FSC is active in consumer campaigns that build financial literacy. We understand New Zealanders' current issues and opportunities through an active research and data programme.

OUTPUTS

DESCRIPTION AND QUANTIFICATION OF THE ENTITY'S OUTPUTS FINANCIAL YEAR ENDING 30 JUNE 2024	2024	2023
Regulatory and policy submissions	20	17
Regulatory Forecasts Produced	11	12
Industry Guides and Member Reports	3	9
Educational Webinars Delivered	9	13
Policy Documents Produced	2	3
Consumer Campaigns	2	2
Number of Members	117	114
Number of Conference Attendees	653	645
Other Events	13	13
Committees, Working Groups, Advisory Groups, Focus Groups	47	32
Members Involved in Committee Activity	570	540
Research Reports	4	5

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

Financial Services Council of New Zealand Incorporated
For the year ended 30 June 2024

	NOTES	2024	2023
REVENUE			
Revenue from Exchange Transactions	3	2,862,450	3,033,218
Financial Assets at Amortised Cost		116,968	62,159
Total Revenue		2,979,417	3,095,377
EXPENSES			
Conference and Events Expenses		513,719	541,261
Conference and Events Wages		338,111	256,329
Depreciation and Amortisation		15,451	27,350
Employee and Contractor Related Costs		1,611,352	1,651,361
KiwiSaver Employer Contributions		38,283	36,291
Loss on Asset Disposal		1,582	-
Operating Lease and Rental Expenses		77,657	61,983
Other Operating Expenses		175,003	168,019
Professional Services		102,086	80,588
Project Related Expenditure		151,766	158,178
Total Expenses		3,025,011	2,981,360
SURPLUS/ (DEFICIT) FOR THE YEAR BEFORE TAXES		(45,594)	114,017
TAXATION			
Income Tax Expense	9	(38,527)	(50,689)
Total Taxation		(38,527)	(50,689)
SURPLUS/ (DEFICIT) FOR THE YEAR AFTER TAXES		(7,067)	164,707

These financial statements should be read in conjunction with the attached Notes to the Financial Statements.

STATEMENT OF CHANGES IN NET ASSETS/EQUITY

Financial Services Council of New Zealand Incorporated
For the year ended 30 June 2024

	2024	2023
TOTAL ACCUMULATED FUNDS		
Opening Balance	1,424,092	1,259,385
Total comprehensive revenue and expense for the period		
Current Year Earnings	(7,067)	164,707
Total comprehensive revenue and expense for the period	(7,067)	164,707
Funds from Women in Super	16,294	-
CLOSING BALANCE AT 30 JUNE	1,433,319	1,424,092

These financial statements should be read in conjunction with the attached Notes to the Financial Statements.

STATEMENT OF FINANCIAL POSITION

Financial Services Council of New Zealand Incorporated
As at 30 June 2024

	NOTES	30 JUN 2024	30 JUN 2023
ASSETS			
Current Assets			
Cash and Bank	5	381,660	907,371
Term Deposits	6	1,288,433	1,219,823
Trade and Other Receivables Exchange Transactions		208,620	179,029
Income Tax Receivable		41,509	20,768
Prepayments		99,020	128,702
GST Receivable		34,556	-
Deferred Tax	9	38,527	-
Total Current Assets		2,092,324	2,455,694
Non-Current Assets			
Bond Paid		13,274	11,544
Property, Plant and Equipment	7	9,010	8,629
Intangibles		10,191	20,381
Total Non-Current Assets		32,475	40,555
TOTAL ASSETS		2,124,799	2,496,248
LIABILITIES			
Current Liabilities			
Trade Payables		72,660	137,913
Accruals		61,759	27,682
Conference Income in Advance		396,861	323,432
GST/PAYE Payable		25,866	52,176
Other Employees Liabilities		56,284	282,542
Subscriptions Received in Advance		78,050	248,413
Total Current Liabilities		691,480	1,072,157
TOTAL LIABILITIES		691,480	1,072,157
NET ASSETS		1,433,319	1,424,092
ACCUMULATED FUNDS			
Accumulated Funds		1,207,712	1,043,006
Current Year Surplus		(7,067)	164,707
Funds from Workplace Savings New Zealand	13	216,380	216,380
Funds from Women In Super	13	16,294	-
TOTAL ACCUMULATED FUNDS		1,433,319	1,424,092

Signed on behalf of the members of the Incorporated Society this 11 day of October 2024.



Independent Chair



Chief Executive Officer

These financial statements should be read in conjunction with the attached Notes to the Financial Statements.

STATEMENT OF CASH FLOWS

Financial Services Council of New Zealand Incorporated
For the year ended 30 June 2024

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Exchange Revenue	2,758,002	2,807,138
Payments to suppliers/employees		
Payments to suppliers	(1,419,738)	(1,495,008)
Payments to employees	(1,742,969)	(1,493,736)
Prepayments	(87,755)	(18,083)
Total Payments to suppliers/employees	(3,250,462)	(3,006,827)
GST - net paid and collected	(61,243)	9,708
Income tax paid	(1,793)	(80,701)
Total Cash Flows from Operating Activities	(555,496)	(270,682)
CASH FLOWS FROM INVESTING AND FINANCING ACTIVITIES		
Interest received	89,324	31,855
Payment for property, plant and equipment	(7,224)	(5,746)
Term deposits invested	(68,610)	(21,924)
Capital contributed from owners or members	16,294	-
Total Cash Flows from Investing and Financing Activities	29,785	4,186
Net Increase/(Decrease) in Cash	(525,711)	(266,496)
CASH AND CASH EQUIVALENTS		
Opening cash and cash equivalents	907,370	1,173,866
Closing cash and cash equivalents	381,660	907,370
Net change in cash and cash equivalents for period	(525,711)	(266,496)

These financial statements should be read in conjunction with the attached Notes to the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1. REPORTING ENTITY

Financial Services Council of New Zealand Incorporated (FSC or the Society) is an Incorporated Society, registered in accordance with the Incorporated Societies Act 1908 in New Zealand.

2. STATEMENT OF ACCOUNTING POLICIES

Basis of Preparation

FSC has elected to apply Public Benefit Entity Standards Reduced Disclosure Regime (PBE Standards RDR) Tier 2 on the basis that the Society does not have public accountability (as defined) and has total annual expenses of less than \$30 million.

The Financial Statements are prepared on the assumption that the Society will continue as a going concern for the foreseeable future.

Historical Cost

The financial statements have been prepared on a historical cost basis. The financial statements are presented in New Zealand dollars (NZ\$), and all values are rounded to the nearest NZ\$, except when otherwise indicated.

Changes in Accounting Policies

There have been no changes in Accounting Policies. All policies have been applied on bases consistent with those used in 2023.

Goods and Services Tax

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

Financial Instruments

Financial assets and financial liabilities are initially recognised when FSC becomes a party to the contractual provisions of the financial instrument.

FSC de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by FSC is recognised as a separate asset or liability.

FSC de-recognises a financial liability when its contractual obligations are discharged, cancelled, or expire.

Financial assets and liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, FSC has a legal right of offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

FSC classifies all its financial assets as loans and receivables. FSC classifies all its financial liabilities as at amortised cost.

Financial instruments are initially measured at fair value plus directly attributable transaction costs.

The Notes form part of the Annual Financial Statements and should be read in conjunction with the attached Notes to the Financial Statements.

Subsequent measurement is dependent on the classification of the financial instrument, and is specifically detailed in the accounting policies below.

i) Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are subsequently measured at amortised cost using the effective interest method, less and impairment losses.

Loans and receivables comprise cash and cash equivalents, investments, receivables from non-exchange transactions and receivables from exchange transactions.

Cash and cash equivalents represent highly liquid investments that are readily convertible into a known amount of cash with an insignificant risk of changes in value, with maturities of three months or less.

ii) Amortised cost financial liabilities

Financial liabilities classified as amortised cost are non-derivative financial liabilities that are not classified as fair value through surplus or deficit financial liabilities.

Financial liabilities classified as amortised cost are subsequently measured at amortised cost using the effective interest method.

Financial liabilities classified as amortised cost comprise trade payables (excluding Goods and Services Tax (GST) and other payables and accruals.

FSC considers evidence of impairment for financial assets measured at amortised cost at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified.

Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics. In assessing collective impairment, FSC uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

Losses are recognised in surplus or deficit and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through surplus or deficit.

Taxation

Income derived from trading with members is exempt from taxation. Income derived from non-member activities is subject to taxation.

Tax expense recognised in the statement of comprehensive revenue and expense comprises the sum of deferred tax and current tax not recognised in other comprehensive income.

Current income tax assets and/or liabilities comprise those obligations to and claims from Inland Revenue and other taxation authorities relating to the current or prior reporting period that are unpaid at the reporting date. Current tax is payable on taxable profit which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred taxes are calculated using the liability method on temporary differences between the carrying amount of assets and liabilities and their tax bases without any discounting and using the enacted tax rates. Deferred tax rates are recognised to the extent that it is probable that they will be able to be utilised. Deferred tax liabilities are always provided for in full.

Changes in the deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity respectively.

Revenue Recognition

Revenue is recognised when the amount of revenue can be measured reliably and it is probable that economic benefits will flow to FSC, and measured at fair value of consideration received or receivable.

The following specific recognition criteria in relation to FSC's revenue streams must also be met before revenue is recognised.

i) Revenue from exchange transactions

Membership fees and subscriptions

Revenue is recognised over the period of the membership or subscription (usually 12 months). Amounts received in advance for memberships or subscriptions relating to future periods are recognised as a liability until such time that the period covering the membership or subscription occurs.

Conferences and events

Revenue is recognised in surplus or deficit when the conference or event is held.

Amounts received in advance for conferences and events to be provided in future periods are recognised as a liability until such time as the conference or event is held.

Research Sponsorship

Revenue is recognised at the point at which cash is received.

Property, Plant and Equipment

i) Recognition and measurement

Items of property, plant and equipment are initially measured at cost, except those acquired through non-exchange transactions which are instead measured at fair value as their deemed cost at initial recognition.

Items of property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in surplus or deficit.

ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to FSC. Ongoing repairs and maintenance is expensed when incurred.

iii) Depreciation

For plant and equipment, depreciation is based on the cost of an asset less its residual value. Significant components or individual assets that have a useful life that is different from the remainder of those assets, those components are depreciated separately.

Depreciation is recognised in surplus or deficit on a diminishing value basis over the estimated useful life of each component of an item of property, plant and equipment.

The diminishing value depreciation rates are:

Computer & Office Equipment 13%-50%

Website 50%

The Notes form part of the Annual Financial Statements and should be read in conjunction with the attached Notes to the Financial Statements.

Depreciation methods, useful lives, and residual values are reviewed at reporting date and adjusted if appropriate.

Accounts Receivable

Receivables are stated at their estimated realisable value. Bad debts are written off in the year in which they are identified.

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. A review is made at least at the end of each financial period.

The amortisation expense on intangible assets with finite lives is recognised in surplus or deficit as the expense category that is consistent with the function of the intangible assets. FSC does not hold any intangible assets that have an indefinite life.

Research

Research expenses are brought to account in the Statement of Financial Performance in the period incurred.

Leases

Leases that are not finance leases are classified as operating leases.

Operating leases are not recognised in the statement of financial position. Payments made under operating leases are recognised in surplus or deficit on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Employee Benefits

Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries (including non-monetary benefits), annual leave and accumulating sick leave are recognised in surplus or deficit during the period in which the employee rendered the related services, and are generally expected to be settled within 12 months of the reporting date. The liabilities for these short-term benefits are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

3. REVENUE FROM EXCHANGE TRANSACTIONS

	2024	2023
REVENUE FROM EXCHANGE TRANSACTIONS		
Membership fees and subscriptions	2,284,858	2,205,587
Conferences and events	577,592	792,631
Research Sponsorship	-	35,000
Total Revenue from exchange transactions	2,862,450	3,033,218

The Notes form part of the Annual Financial Statements and should be read in conjunction with the attached Notes to the Financial Statements.

4. ACCUMULATED FUNDS

Accumulated funds are measured as the difference between total assets and total liabilities. Accumulated funds are made up of the following components:

	2024	2023
ACCUMULATED FUNDS		
Current Year Earnings	(7,067)	164,707
Funds from WSNZ	216,380	216,380
Funds from WiS	16,294	-
Accumulated funds(deficits)	1,207,712	1,043,006
Total Accumulated Funds	1,433,319	1,424,092

5. CASH AND BANK

	2024	2023
ACCUMULATED FUNDS		
WSNZ Reserves	452	442
Non Profit Org A/C	380,800	906,529
Bus First On Call A/C	408	399
Total Cash and Bank	381,660	907,371

6. INVESTMENTS

	2024	2023
Term Deposit 25	487,977	468,436
Term Deposit 27	387,898	371,684
Term Deposit 28	162,179	155,403
Term Deposit 29	234,085	224,301
Term Deposit 31	16,294	-
Total Investments	1,288,433	1,219,824

	INTEREST RATE	TERM
Term Deposit 25	6.00%	180 Days
Term Deposit 27	6.05%	181 Days
Term Deposit 28	6.00%	182 Days
Term Deposit 29	6.05%	181 Days
Term Deposit 31	6.10%	365 Days

The Notes form part of the Annual Financial Statements and should be read in conjunction with the attached Notes to the Financial Statements.

7. PROPERTY, PLANT AND EQUIPMENT

As at 30 June 2024:

	Opening Cost	Additions	Loss	Closing Cost
Office Equipment	40,990	7,224	(2,110)	46,104
Total Property, Plant and Equipment	40,990	7,224	(2,110)	46,104

	Opening Accum. Depn	Depreciation	Closing Accum. Depn
Office Equipment	32,361	4,733	37,094
Total Property, Plant and Equipment	32,361	4,733	37,094

As at 30 June 2023:

	Opening Cost	Additions	Closing Cost
Office Equipment	35,244	5,746	40,990
Total Property, Plant and Equipment	35,244	5,746	40,990

	Opening Accum. Depn	Depreciation	Closing Accum. Depn
Office Equipment	32,361	6,968	32,361
Total Property, Plant and Equipment	32,361	6,968	32,361

8. INTANGIBLE ASSETS

As at 30 June 2024:

	Opening Cost	Additions	Closing Cost
Website	54,350	0	54,350
Total Intangible Assets	54,350	0	54,350

	Opening Amortisation	Amortisation	Closing Amortisation
Website	33,968	10,191	44,159
Total Intangible Assets	33,968	10,191	44,159

As at 30 June 2023:

	Opening Cost	Additions	Closing Cost
Website	54,350	0	54,350
Total Intangible Assets	54,350	0	54,350

	Opening Amortisation	Amortisation	Closing Amortisation
Website	13,587	20,381	33,968
Total Intangible Assets	13,587	20,381	33,968

The Notes form part of the Annual Financial Statements and should be read in conjunction with the attached Notes to the Financial Statements.

9. INCOME TAX RECONCILIATION

	2024	2023
(A) COMPONENTS OF TAX EXPENSE:		
Current tax expense	-	32,234
Deferred tax expense	(38,527)	(82,923)
Total tax expense in Statement of Comprehensive Revenue and Expense	(38,527)	(50,689)

(B) RECONCILIATION OF CURRENT TAX EXPENSE:		
Net profit/(loss) before tax	-	114,018
Income tax at 28%	-	31,925
IRD Exemption	-	(280)
Non taxable transactions with members	-	589
	-	32,234

	(C) DEFERRED TAX ASSETS AND LIABILITIES:					
	Assets		Liabilities		Net	
	2024	2023	2024	2023	2024	2023
Tax loss to carry forward	38,527	-	-	-	38,527	-
Conference Income in Advance	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-
Employee benefits	-	-	-	-	-	-
	38,527	-	-	-	38,527	-

	(D) RECONCILIATION OF DEFERRED TAX MOVEMENTS					
	2024 Opening Balance	Recognised in OCI	Closing Balance	2023 Opening Balance	Recognised in OCI	Closing Balance
Tax loss to carry forward	-	38,527	38,527	-	-	-
Conference Income in Advance	-	-	-	(84,547)	84,547	-
Accrued interest	-	-	-	2,059	(2,059)	-
Employee benefits	-	-	-	(435)	435	-
	-	38,527	38,527	(82,923)	82,923	-

The Notes form part of the Annual Financial Statements and should be read in conjunction with the attached Notes to the Financial Statements.

10. RELATED PARTIES

The majority of FSC income has been received from members through subscriptions to fund general services performed for the members. Additionally, members are paid for consultancy and audit services. The following associate members have provided services to FSC in relation to its activities during the year. These services and payments for them were made on normal commercial terms.

Board members of FSC are members of organisations who pay membership subscriptions. Transactions are made under normal commercial terms.

Year to 30 June 2024 (Fees paid to members, GST excl)	Year to 30 June 2023
Chapman Tripp - Legal fee (\$18,535)	Chapman Tripp - Legal fee (\$13,339)
Minter Ellison Rudd Watts - Legal fee (\$7,062)	Bell Gully - Legal fee (\$200)
	Ernst & Young - Consultancy (\$54,377)
	Ernst & Young - Catering (\$1,517)

Key Management Personnel

The key management personnel, as defined by PBE IPAS 20 related party disclosures are the members of the governing body.

Compensation of the entity's key management personnel includes salaries and non-cash benefits. The entity has recognised expenses of \$1,375,984 relating to compensation of key management personnel (2023: \$1,310,421).

11. OPERATING LEASES

i) Leases as lessee

The future non-cancellable minimum lease payments of operating leases at reporting date are detailed in the table below:

	2024	2023
Less than one year	79,644	69,264
Between one and five years	0	69,264
Total non-cancellable operating lease payments	79,644	138,528

12. FINANCIAL ASSETS AND LIABILITIES

The carrying amount of financial instruments presented in the statement of financial position relate to the following categories of current assets and liabilities.

	2024	2023
FINANCIAL ASSETS		
Cash and Cash Equivalents	381,660	907,371
Investments	1,272,139	1,219,823
Receivables from Exchange Transactions	169,617	148,722
Total Financial Assets	1,823,416	2,275,916

	2024	2023
FINANCIAL LIABILITIES		
Payables from Exchange Transactions	(72,660)	(137,913)
Total Financial Liabilities	(72,660)	(137,913)

13. RESERVES

Funds from Workplace Savings New Zealand represent funds received from the merger with Workplace Savings New Zealand. Funds from Women In Super represent funds received from the merger with Women in Super.

14. CAPITAL EXPENDITURE COMMITMENTS

There are no liabilities in respect of capital expenditure at balance date other than those provided for in the accounts (Last Year: \$nil).

15. CONTINGENT LIABILITIES

There are no contingent liabilities at balance date (Last Year: \$nil).

16. REVENUE RECEIVED IN ADVANCE

The revenue received in advance in 2024 financial year (\$396,861) relates to a Conference to be held in September 2024.

The revenue received in advance in 2023 financial year (\$323,432) relates to a Generations Conference to be held in September 2023.

17. SUBSEQUENT EVENT

There are no subsequent events which would materially impact the financial statements.

BOARD MEMBERS & MEETING ATTENDANCE

FSC Board members, as at 30 June 2024.



ROB FLANNAGAN
Independent Chair
FSC



NIGEL JACKSON
FSC Deputy Chair
Chief Executive Officer,
BT Funds Management
(NZ) Limited



ADAM BOYD
Executive General
Manager, ASB



ANA-MARIE LOCKYER
Chief Executive
Officer, Pie Funds



ANNA SCOTT
Chief Executive Officer,
Smartshares Ltd



CAMPBELL MITCHELL
Chief Executive
Officer, Fidelity Life



FIONA MACKENZIE
Managing Director,
Funds Management,
ANZ



GAIL COSTA
Chief Executive
Officer, Chubb Life



GRANT WILLIS
Head of Life,
Asteron Life



JAMES MCDONNELL
Chief Growth
Officer - NZ, FNZ



MICHAEL WESTON
Chief Executive
Officer, Partners Life



NICK ASTWICK
Chief Executive
Officer, Southern
Cross Health Society



NICK STANHOPE
Chief Executive
Officer, AIA



PETER FORSTER
Chief Executive
Officer, BNZ
Investment Services
Ltd

	BOARD MEETINGS:	DUE TO ATTEND	ATTENDED
Rob Flannagan		7	7
Adam Boyd		7	4
Ana-Marie Lockyer ¹		5	4
Anna Scott ²		5	5
Campbell Mitchell ³		5	2
Fiona Mackenzie		7	2
Gail Costa		7	2
Grant Willis		7	4
Ian Clancy ⁴		2	1
James McDonnell		7	5
Michael Weston ⁵		1	1
Naomi Ballantyne ⁶		6	5
Nick Astwick		7	2
Nick Stanhope		7	6
Nigel Jackson		7	6
Peter Forster		7	4

¹Ana-Marie Lockyer (appointed 1 November 2023)

²Anna Scott (appointed 1 November 2023)

³Campbell Mitchell (appointed 1 November 2023)

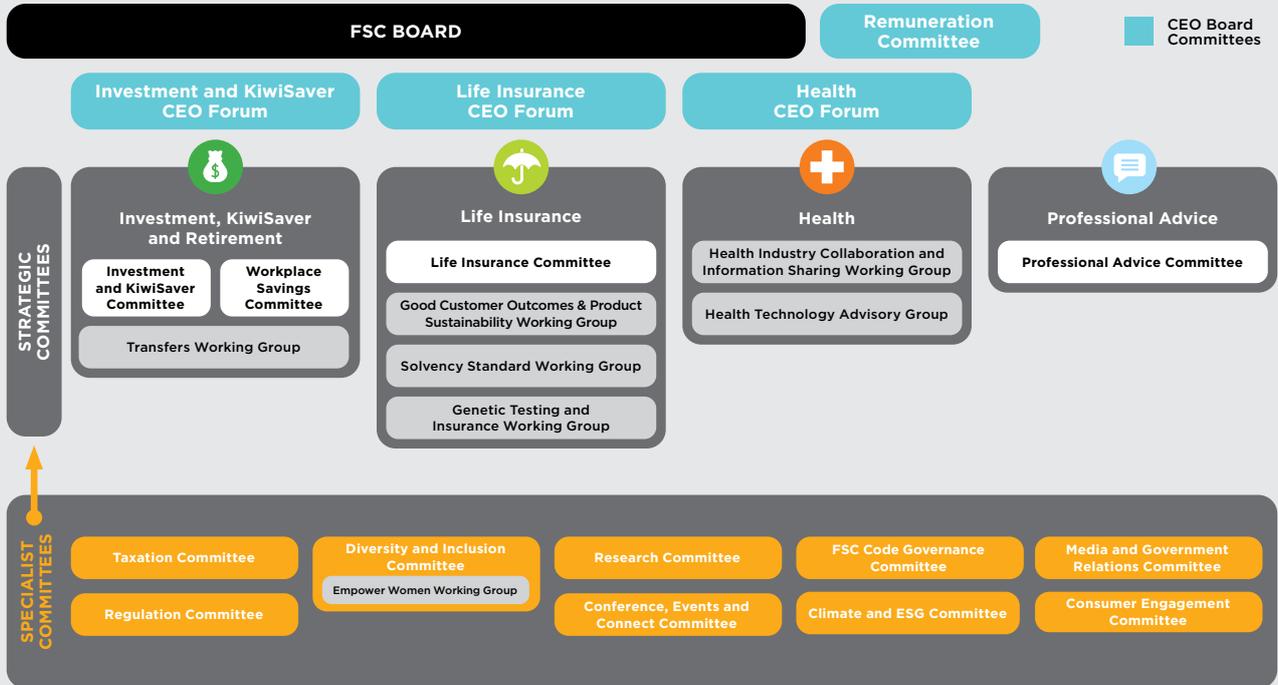
⁴Ian Clancy (resigned at FSC AGM 2023 - 1 Nov 2023)

⁵Michael Weston (appointed 1 April 2024)

⁶Naomi Ballantyne (resigned 30 March 2024)

COMMITTEE STRUCTURE

FSC Committee structure, as at July 2024.



COMMITTEE MEETINGS

During the 12 months to 30 June 2024, the following committees met:

BOARD COMMITTEES	MEETINGS HELD
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FSC Board	7
Life Insurance CEO Forum	4
Health Insurance CEO Forum	4
Investment and KiwiSaver CEO Forum	4
Remuneration Committee	7

STANDING COMMITTEES	MEETINGS HELD
---------------------	---------------

Climate and ESG Committee	10
Conference, Events and Connect Committee	24
Consumer Engagement Committee	12
Diversity and Inclusion Committee	8
FSC Code Governance Committee	7
Investment and KiwiSaver Committee	10
Life Insurance Committee	7
Media and Government Relations Committee	3
Professional Advice Committee	6
Regulation Committee	10
Research Committee	9
Taxation Committee	4
Workplace Savings Committee	6

WORKING GROUPS	MEETINGS HELD
----------------	---------------

Code Working Group	1
Consumer Working Group	1
Empower Women Working Group	2
Genetic Testing and Insurance Working Group	4
Good Customer Outcomes and Product Sustainability Working Group	3
Health Data and Insights Working Group	1
Health Industry Collaboration and Information Sharing Working Group	3
Health Technology Advisory Group	2
Solvency Standard Working Group	5
Transfers Working Group	9

ONGOING FOCUS GROUPS	MEETINGS HELD
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Climate Related Disclosures Focus Group	9
CoFI Focus Group	10
IFRS17 Technical and Submissions Focus Group	1

FINANCIAL SERVICES COUNCIL MEMBERS

MEMBERS

AIA Insurance	ANZ Bank	AON	ASB
			
Asteron Life Ltd	BNZ Investment Services Ltd	Chubb	Civic Financial Services
			
Consilium	Co-operative Life Ltd	Craigs Investment Partners	Fidelity Life Assurance Co Ltd
			
Fisher Funds Management Ltd	FNZ	Foodstuffs Provident Fund	Forsyth Barr
			
FundRock NZ Ltd	Generate KiwiSaver	Kernel	Medical Assurance Society New Zealand Ltd
			
Mercer (NZ) Ltd	Milford Asset Management Ltd	Momentum Life	nib
			
Octagon Asset Management	Partners Life	Pie Funds	Pinnacle Life
			
Police Association	Resolution Life	SBS Insurance	SBS Wealth
			
Sharesies	SmartsharesNZ	Southern Cross	Te Rūnanga o Ngāi Tahu
			
The New Zealand Anglican Church Board	UniMed	Unisaver Ltd	Westpac Bank
			

3M Superannuation Scheme

Baptist Union Superannuation Scheme

BECA Super Scheme

BOC NZ Retirement Plan

BP New Zealand Retirement Plan

Colgate-Palmolive Superannuation Plan

Dairy Industry Superannuation Scheme

DXC (New Zealand) Staff Superannuation Fund

Maritime Retirement Scheme

MISS Scheme

MERBP Trustee Ltd

mysuper Superannuation Scheme

New Zealand Steel Pension Fund

NZAS Retirement Fund

FireSuper

The Presbyterian Church of Aotearoa New Zealand Beneficiary Fund

Police Superannuation Scheme

Ports Retirement Plan

Reserve Bank of New Zealand Staff Superannuation and Provident Fund

Retirement Income Group Ltd

Shell New Zealand Pensions Ltd

The Trustees of the Church of Jesus Christ of Latter-Day Saints Deseret Benefit Plan for New Zealand

ASSOCIATE MEMBERS

New Zealand Automobile Association	AlphaCert Labs Ltd	Advanced Management Systems Ltd	Annuitas Management Ltd	Anthony Harper	Apex Advice Group Ltd
					
Apex Group	Bell Gully	BNP Paribas	Bravura Solutions	Chapman Tripp	Compliance Refinery Ltd
					
Cygnus Law	Davies Financial & Actuarial Ltd	Deloitte	Dentons	DLA Piper	Ernst & Young
					
Fee Langstone	Farmers' Mutual Group	Guardian Trust	GenRe	Hannover Life Re	Healthcare Plus
					
KPMG	Lane Neave	Link Market Services	Lockton	Mahony Horner Lawyers	Melville Jessup Weaver
					
MinterEllisonRuddWatts	Morningstar	Mosaic	MunichRE	MyFiduciary Ltd	NZX Wealth Technologies Ltd
					
Objective Corporation Ltd	Partner Reinsurance Asia Pte Ltd	PwC New Zealand	Public Trust Corporate Trustee Services	Quality Product Research Ltd	RGA Reinsurance
					
Russell McVeagh	SCOR Global Life	Shift Advisory Ltd	Swiss Re	The Compliance Company	Trustees Executors Ltd
					

Manchester Unity Friendly Society

FSC Associate Members as at October 2024

Financial Services Council NZ



Grow the financial
confidence and wellbeing
of New Zealanders

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