



ANNUAL REPORT 2019

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THE ROLE OF THE FINANCIAL SERVICES COUNCIL

The Financial Services Council is a non-profit member organisation and the voice of the financial services sector in New Zealand. Our 35 members* comprise 95% of the life insurance market in New Zealand, and manage funds of more than \$47.5bn. Members include the major insurers in life, disability and income insurance, fund managers, KiwiSaver, professional services and technology providers to the financial services sector.



STRONG CONSUMER OUTCOMES – The financial services industry must continue to deliver great product 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.

FSC PURPOSE:

- 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.

Financial Services Council.
Growing and protecting the wealth of New Zealanders

* As at 30 June 2019. 57 members as at 23 September 2019.

ABOUT THE FINANCIAL SERVICES COUNCIL



To deliver on our vision and purpose, FSC activity centres on five strategic pillars:



POLICY AND ADVOCACY

To be the trusted voice of the financial services sector for the benefit of all New Zealanders



INDUSTRY BEST PRACTICE

Bringing the industry together with knowledge and insight for the benefit of all New Zealanders



INDUSTRY LEADERSHIP AND INSIGHT

Showcasing industry excellence in understanding, growing and protecting New Zealanders' wealth



COMMUNITY OF PROFESSIONALS

A community developing itself to better understand and serve the needs of New Zealanders



DEVELOP THE FSC

A sustainable business model delivering an effective and efficient industry body

MESSAGE FROM THE CHAIRMAN

Welcome to the Financial Services Council (FSC) 2018/19 Annual Report.

It has been another very busy year for the FSC and members, as we see regulatory and political scrutiny of the sector intensify around the conduct and culture of the financial services industry.

The FSC's strength in both its management and strategic direction is in direct relation to the quality of the team of the FSC led by Richard Klipin. The membership is well served by this competency.

I was proud that the industry worked closely together to launch the FSC Code of Conduct which went live on 1 January 2019, and that in the period to 30 June, members have trained 2,500 of their staff. Members are continuing to work together to develop guidelines for Code Standards and further integrate the Code into all we do.

The FSC Code of Conduct is a milestone for the industry as we continue to work with our members, our regulators and politicians and the wider industry to deliver our key strategic focus to deliver strong and sustainable consumer outcomes, a sustainable sector and increasing professionalism and trust of the industry.

POLICY AND ADVOCACY

With the increased focus on the financial services sector comes increased engagement with Government and Regulator officials and this year the secretariat and members have had more than 100 meetings across this key stakeholder group.

These meetings have covered major policy issues. Culture and Conduct, KiwiSaver, Financial Advice Regulations, Insurance Contracts Law Review and Conduct of Financial Institutions have led to 17 submissions to the industry regulators (Reserve Bank of New Zealand (RBNZ), Financial Markets Authority (FMA)) and various Government Departments including the Ministry for Business, Innovation and Employment (MBIE) and Inland Revenue (IRD).

INDUSTRY LEADERSHIP AND INSIGHT

Following on from the research into KiwiSaver last year, we launched 'Shaping Futures: Closing the KiwiSaver Gap', the fourth in the series of research over the year. This paper focussed on the differing demographics of KiwiSaver as well as recommendations to improve consumer outcomes.

In December we launched our first piece of broader industry research, Towards Prosperity. The report shows how Financial Services is the second fastest growing industry in New Zealand, is highly skilled, diverse and is future focussed. We also published a spotlight on KiwiSaver and quarterly insurance statistics.

Risking Everything was final piece of research that we commissioned in the year to understand New Zealanders' attitudes to financial risk and how they protect their wealth should the worst happen.

MESSAGE FROM THE CHAIRMAN

INDUSTRY BEST PRACTICE

The Shaping Futures conference last September in Auckland was a huge success, with over 400 delegates and satisfaction ratings of around 90% for quality of content and speakers, and where we launched the FSC Code of Conduct.

COMMUNITY OF PROFESSIONALS

In May, the Financial Services Council announced the merger with Workplace Savings NZ into one single organisation under the Financial Services Council banner. The newly merged organisation will begin life on 1 July 2019.

This is a key milestone, as it brings together the KiwiSaver, Investment and Life Insurance industries. The merger is a great opportunity to bring the wealth management industry together under one roof and focus the efforts of our joint members on the important issues of the day, as well as looking to the future of both the industry and all New Zealanders.

DEVELOPING THE FSC

As the membership continues to build, members remain the lifeblood of the Financial Services Council and more than 200 FSC member representatives joined us through the year to support the 19 standing committees and working groups.

The secretariat continues to build the communication activity in support of the committees and as the voice of the sector across New Zealand.

FINANCIAL RESULT FOR 2019

The FSC recorded a year-end surplus of \$68,506, a decrease on the surplus recorded in 2018, which is largely due to increasing capability and delivering new projects in support of the Membership.

Our net assets at 30 June 2019 were \$570,370. The FSC is actively managing cash and bank deposits on a variety of terms and interest rates to meet the cashflow needs of the organisation.

We are forecasting a continued growth in new Members joining in 2019/20, as well as strengthening incomes from the conference and events revenue streams through continuing to build our proactive work programme.

CONCLUSION

On behalf of the FSC Board, I would like to thank members and those involved across the industry who are working hard to drive great consumer outcomes across the country.



Rob Flannagan
Chairman
Financial Services Council

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

As mentioned by the Chair, Conduct and Culture has very much been the theme of the year. The industry has been working with Government and Regulators to drive these changes and respond to consultations and submissions. We are committed to driving great consumer outcomes, helping consumers better manage risk and being part of the solution to support New Zealanders grow, manage, and protect their wealth.

THE VOICE OF THE FINANCIAL SERVICES SECTOR

The Financial Services Council's strategy is well embedded and initiatives like the Financial Services Council Code of Conduct, launched at the start of the year, are having a positive impact across the industry.

Our communications have seen significant improvement too, helping us to increase our reach beyond our core membership and into the wider financial services sector and to consumers via our media work.

With our members collectively managing a growing portfolio of over \$50billion KiwiSaver dollars and paying out over \$1.2bn in insurance claims, the importance of the sector and our responsibility to New Zealanders is clear.

INDUSTRY BEST PRACTICE

The industry has not sat still since the code launch, and at time of writing the first meeting of the newly formed FSC Code of Conduct Disciplinary Committee is due to take place in July. Chaired by leading tax barrister Geoff Clews, the Committee is made up of independent experts from New Zealand and overseas with expertise in law, financial services, governance and conduct.

The industry continues to be committed to responding to the ongoing focus from the Government, Financial Markets Authority and Reserve Bank of New Zealand through the many consultations, submissions and changes in law. Our aims are aligned – to deliver the best possible outcomes for all New Zealanders.

INDUSTRY LEADERSHIP AND INSIGHT

The FSC's theme for 2019 is Towards Wellbeing, focussing on the impact that we all have on ourselves, our colleagues and our customers. The stage is set for our biggest conference yet, Towards Wellbeing, in September 2019 and we are expecting over 600 people to listen, learn and debate with over 100 speakers across 35 sessions.

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

DEVELOP THE FSC

We launched Towards Prosperity in December 2018, which showed the increasing contribution from the financial services sector into the prosperity of New Zealand and our economy. The research showed that the sector is the second fastest growing, contributing \$13.5 billion to the economy.

As we continue to grow into our longer-term strategic aims we are continuing to build and develop our work over five key areas:

1. Ensuring the sector is a trusted partner in the wealth, health and wellbeing of New Zealand
2. Technological change and innovation
3. Data, insight and intelligent use of information and analytics
4. The changing nature of consumer demographics, literacy and engagement with advice
5. Lifting professionalism through training, education and professional standards

CONCLUSION

It is impossible for us to name everyone that contributes so much to the sector, both through the FSC and through their organisations, especially as we welcome Workplace Savings NZ members into the Financial Services Council. From committee members, to sponsors and from like-minded organisations to our regulators, we are all in a position to really shape and change the sector for the better of all New Zealanders.



Richard Klipin
Chief Executive Officer
Financial Services Council

PERFORMANCE REPORT

FINANCIAL SERVICES COUNCIL OF NEW ZEALAND INCORPORATED
FOR THE YEAR ENDED 30 JUNE 2019

PREPARED BY VGA CHARTERED ACCOUNTANTS LTD



DIRECTORY

PURPOSE OF THE SOCIETY

The Financial Services Council of New Zealand Incorporated ('FSC') continues to represent the interests of life, disability, income, and trauma insurers, superannuation and managed funds, 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. Throughout the year, the FSC has re-focused its strategy to drive:

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

Chief Executive Officer: Richard Klipin

Board members: Adam Boyd, Charlie Trotter, Craig Mulholland, Crispian Knell, Gail Costa, Kristy Redfern, Nadine Tereora, Naomi Ballantyne, Nigel Jackson, Simon Hoole, Susan Basile.

Note: At the AGM on 28 November 2018: Ana-Marie Lockyer and Nick Stanhope stepped down from the Board; Adam Boyd and Craig Mulholland joined the Board.

CHARTERED ACCOUNTANTS

VGA Chartered Accountants Ltd
Unit G12, 23 Edwin Street, Mt Eden, Auckland 1024
Phone: 09-638-8736

BANKERS

BNZ

AUDITORS

PricewaterhouseCoopers

PHYSICAL AND POSTAL ADDRESS

Level 33, ANZ Centre, 23-39 Albert Street, Auckland 1010

ENTITY INFORMATION

LEGAL NAME OF ENTITY

Financial Services Council of New Zealand Incorporated ("NZFSC")

ENTITY TYPE

Incorporated Society

REGISTRATION NUMBER

Registration Number: 831771

ENTITY'S PURPOSE OR MISSION

The Council's vision is to be the voice of New Zealand's financial services industry.

This vision is supported by a mission to grow, protect and manage the wealth of New Zealanders.

ENTITY'S 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 SOURCE OF ENTITY'S CASH AND RESOURCES

FSC is funded by subscriptions and fees paid by its 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

DESCRIPTION OF SPECIFIC PROJECTS AND RESULTS

AREA OF WORK	SPECIFIC ACTIVITY & OUTCOME
<p>Co-ordination with Government, Regulators and the IRD</p>     	<p>More than 100 meetings with Government, Regulators and the IRD, including:</p> <ul style="list-style-type: none"> • 10 meetings on specific major policy issues (fees and levies, disclosure, KiwiSaver early withdrawals for life-shortening conditions. KiwiSaver default providers, future of KiwiSaver, Insurance Contracts Law Review, Conduct of Financial Institutions, Appointed Actuary, Insurer Data Returns, IFRS17). • Meetings with Ministers and the Opposition to discuss areas of interest and ways of working together. • Meetings with the Financial Markets Authority to discuss focus areas and specific topics including conduct, culture and the FSC Code of Conduct. • Meetings with the Ministry of Business, Innovation and Employment to discuss topics including disclosure, fees, KiwiSaver, policy consultations and financial advice legislation. • Meetings with the Reserve Bank of New Zealand to discuss conduct, culture and policy-related issues such as the appointed actuary thematic review and data returns • Meetings with the Inland Revenue on topics including KiwiSaver, GST on managed funds and policy issues.
<p>Policy and Advocacy</p> 	<p>17 submissions on policy consultations.</p> <p>Presented at two Select Committees:</p> <ul style="list-style-type: none"> • KiwiSaver (Foster Parents Opting in for Children in their Care) Amendment Bill (Bill) • Taxation (Annual Rates for 2018-19, Modernising Tax Administration, and Remedial Matters) Bill <p>FSC policy development is led by the FSC Regulation Committee with support from the Tax Advisory Group for technical tax-related issues.</p> <p>Published six editions of the FSC Regulatory Outlook.</p>

STATEMENT OF SERVICE PERFORMANCE

DESCRIPTION OF SPECIFIC PROJECTS AND RESULTS

AREA OF WORK	SPECIFIC ACTIVITY & OUTCOME
<p>Industry Leadership and Insight</p>    	<p>The FSC Code became effective 1 January 2019.</p> <ul style="list-style-type: none"> • Four 'Train the Trainer' sessions held (across Wellington and Auckland), covering 17 FSC member organisations • Code presentations made to four FSC member executive teams by FSC CEO and team • More than 2,500 employees of FSC members trained on the FSC Code (October 2018 – February 2019) <p>Delivered three discrete pieces of research:</p> <ul style="list-style-type: none"> • Shaping Futures: Closing the KiwiSaver Gap • Towards Prosperity: An Insight into New Zealand's Financial Services Industry • Risking Everything: An Insight into how New Zealanders Manage Risk <p>Four quarterly Life Insurance statistics have been published to provide meaningful industry data to FSC members.</p> <p>Ten 'Member Updates' have provided members with regular information on activity and outcomes.</p> <p>Delivered eight 'Navigating Regulation' messages to FSC members and created the Navigating Regulation Advice Hub on the FSC website.</p>
<p>Industry Best Practice</p>  	<p>'Shaping Futures' Annual Conference on 6-7 September 2018, with over 400 attendees, and a satisfaction rating of around 90% for quality of content and speakers.</p> <p>Four industry awards issued to celebrate and showcase excellence. Winners of these awards were announced at the 2018 Annual Conference.</p> <p>Events held through the year:</p> <ul style="list-style-type: none"> • Four 'Navigating Regulation' roadshows in March 2018 – Auckland, Wellington, Christchurch, Dunedin with 1400 registered • Targeted morning seminars: Asia Region Funds Passport, Tax, Risking Everything Research Launch <p>Presented at industry events, including:</p> <ul style="list-style-type: none"> • Facilitated 4x FMA workshops • Financial Markets Law Conference Keynote • Chartered Accountants of New Zealand • LADUCA Wellington • Executive Board briefings • Auckland University Retirement Policy Summit

STATEMENT OF SERVICE PERFORMANCE

DESCRIPTION OF SPECIFIC PROJECTS AND RESULTS

AREA OF WORK	SPECIFIC ACTIVITY & OUTCOME
<p>Community of Professionals</p>  <p>200 FSC members involved in committees</p> <p>11 Standing committees</p> <p>8 Working groups</p>	<p>FSC committees, with regular schedules and robust governance, are delivering great member engagement. Committees provide the opportunity for those involved to broaden their networks and learn from their peers. This year there were 11 standing committees, 8 project-based working groups, and more than 200 FSC member volunteers involved.</p> <p>Standing Committees:</p> <ul style="list-style-type: none"> • Conference Committee • Distribution Committee • FSC Code Governance Committee • Investment Committee • Life Insurance Committee • Media and Government Relations Committee • Merger Committee • Regulation Committee • Remuneration Committee • Strategic Research Committee • Tax Advisory Group <p>Project-based Working Groups:</p> <ul style="list-style-type: none"> • Adviser Transition Working Group • Conduct and Culture Working Group • Data and Insights Working Group • FSC Code Working Group • FSC Code Implementation Team • IFRS17 Working Group • 'ISI Files' Working Group • Risk Assessment Working Group

STATEMENT OF FINANCIAL PERFORMANCE

	NOTES	2019	2018
REVENUE			
Membership subscriptions		1,315,000	1,080,206
Conference and events income		483,615	65,188
Executive support		78,261	78,261
Interest income		31,813	20,796
TOTAL REVENUE		1,908,689	1,244,451
EXPENSES			
Accounting services		22,886	17,215
Audit	6	11,550	11,550
Bank and finance charges		163	191
Communications, website and marketing		32,657	20,400
Conference and events expenses		519,656	58,471
Depreciation	5	7,630	2,297
Entertainment		15,318	7,411
Employee-related costs		1,005,861	754,305
Insurance		2,550	2,550
Office expenses		26,335	15,267
Rent and rates		49,470	23,931
Project-related expenditure		109,843	107,081
Subscription and memberships		6,854	7,236
Total expenses		1,810,773	1,027,906
Surplus for the year before taxes		97,915	216,545
Taxation and adjustments			
Income tax expense	3	29,409	15,715
Total taxation and adjustments		29,409	15,715
Surplus for the year		68,506	200,830

This Performance Report should be read in conjunction with the attached Notes to the Performance Report.

STATEMENT OF CHANGES IN ACCUMULATED FUNDS

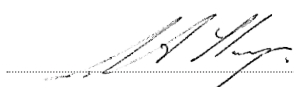
	NOTES	2019	2018
ACCUMULATED FUNDS		501,864	301,034
Opening balance			
Increases			
Surplus for the year		68,506	200,830
Total increases		68,506	200,830
Total accumulated funds		570,370	501,864

This Performance Report should be read in conjunction with the attached Notes to the Performance Report.

STATEMENT OF FINANCIAL POSITION

	NOTES	30 JUN 2019	30 JUN 2018
ASSETS			
Current Assets			
Cash and bank		141,977	209,664
Trade receivables		125,345	141,774
Trade and other receivables		-	57,181
Accrued income		2,376	-
Investments (current)		970,195	606,909
Prepayments		19,203	8,780
Total current assets		1,259,096	1,024,308
NON-CURRENT ASSETS			
Bond paid		12,003	9,465
Property, plant and equipment	5	7,790	13,492
Total non-current assets		19,793	22,957
TOTAL ASSETS		1,278,889	1,047,265
LIABILITIES			
Current liabilities			
Trade payables		66,252	36,865
Accruals		41,144	98,667
Conference income in advance		427,011	330,826
GST payable		18,661	30,208
PAYE		15,813	13,126
Other employee liabilities		118,660	-
Income tax payable	3	14,728	12,709
Subs received in advance		6,250	23,000
Total current liabilities		708,519	545,401
Total liabilities		708,519	545,401
Net assets		570,370	501,864
ACCUMULATED FUNDS			
Accumulated funds		501,864	301,034
Current year surplus		68,506	200,830
Total accumulated funds		570,370	501,864

Signed on behalf of the members of the Incorporated Society this 16th day of October 2019



Independent Chair



Chief Executive Officer

This Performance Report should be read in conjunction with the attached Notes to the Performance Report.

STATEMENT OF CASH FLOWS

	NOTES	2019	2018
Cash flows from operating activities			
Receipts from members		1,532,749	1,118,780
Cash receipts from project-specific pledges		441,101	283,741
Payments to employees		(675,928)	(538,564)
Payments to suppliers		(993,972)	(537,855)
GST - net paid and collected		(8,471)	10,789
Income tax refunded/(paid)		(27,390)	(3,266)
Total cash flows from operating activities		268,090	333,625
Cash flows from investing and financing activities			
Interest received		29,436	17,178
Payment for property, plant and equipment		(1,928)	(6,717)
Term deposits withdrawn (invested)		(363,286)	(603,291)
Total cash flows from investing and financing activities		(335,777)	(592,830)
Net cash flows		(67,687)	(259,206)
Cash balances			
Cash and cash equivalents at beginning of period		209,664	468,870
Cash and cash equivalents at end of period		141,977	209,664
Net change in cash for period		(67,687)	(259,206)

This Performance Report should be read in conjunction with the attached Notes to the Performance Report.

NOTES TO THE PERFORMANCE REPORT

1. REPORTING ENTITY

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

2. STATEMENT OF ACCOUNTING POLICIES

BASIS OF PREPARATION

The Board has elected to apply PBE SFR-A (PS) Public Benefit Entity Simple Format Reporting – Accrual (Not-for-Profit) on the basis that the Society does not have public accountability (as defined) and has total annual expenses of less than \$2 million.

All transactions in the Performance Report are reported using the accrual basis of accounting.

The Performance Report is prepared on the assumption that the Society will continue to operate in the foreseeable future.

HISTORICAL COST

This Performance Report has been prepared on a historical cost basis. The Performance Report is 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 previous years.

GOOD AND SERVICES TAX

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 is accounted for using the taxes payable method. The income tax expense in profit or loss represents the estimated current obligation payable to Inland Revenue in respect of each reporting period after adjusting for any variances between estimated and actual income tax payable in the prior reporting period.

NOTES TO THE PERFORMANCE REPORT

REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable for the sale of services, excluding goods and services tax rebates and discounts, to the extent it is probable that the economic benefits will flow to the entity and revenue can be reliably measured.

Interest received is recognised as interest accrues, gross of refundable tax credits received.

Pledged Monies are recognised as revenue on receipt where no performance conditions have been specified on receipt of the grant.

Pledged Monies requiring specified future conditions to be met are recognised as a liability on receipt. The grants are recognised as income over the period that the specified conditions are complete and the associated costs are recognised.

FIXED ASSETS AND DEPRECIATION

All fixed assets are recorded at cost less accumulated depreciation. Depreciation of the assets has been calculated at the maximum rates permitted by the Income Tax Act 2007.

ACCOUNTS RECEIVABLE

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

RESEARCH

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

COMPARATIVE BALANCES

Comparative balances have been reclassified and restated to conform with any changes in presentation and classification adopted in the current period.

NOTES TO THE PERFORMANCE REPORT

3. INCOME TAX RECONCILIATION

	NOTES	2019	2018
Net profit (loss) per financial statements			
Current year earnings before tax		97,915	216,545
Total net profit (loss) per financial statements		97,915	216,545
Additions to taxable profit			
Other items to add back		7,118	-
Total additions to taxable profit		7,118	-
Deductions from taxable profit			
Losses brought forward		-	-
Non-assessable items		-	160,419
Total deductions from taxable profit		-	160,419
Taxable profit (loss)		105,034	56,126
Tax expense at 28%		29,409	15,715
Deductions from tax payable			
Dividend imputation credits		-	-
Resident withholding tax paid		5,784	3,006
Provisional tax paid		8,896	-
Outstanding balances from prior years		-	-
Other credits available		-	-
Total deductions from tax payable		14,680	3,006
INCOME TAX PAYABLE		14,729	12,709

The Notes form part of the Performance Report.
This Performance Report should be read in conjunction with the attached Notes to the Performance Report.

NOTES TO THE PERFORMANCE REPORT

4. RELATED PARTIES

The majority of the Society 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 the Society in relation to its activities during the year. These services and payments for them were made on normal commercial terms.

Year to 30 June 2019 (Fees paid to members, GST exclusive)	Year to 30 June 2018
PricewaterhouseCoopers (\$13,000)	PricewaterhouseCoopers
Melville Jessup Weaver (\$19,938)	Melville Jessup Weaver
Chapman Tripp (\$27,333)	Chapman Tripp
Melior Law & Regulation (\$6,273)	Melior Law & Regulation
Strategi Group (\$250)	KPMG
	Morningstar
	Bell Gully
	Ernst Young

5. FIXED ASSETS

AS AT 30 JUNE 2019

	Cost Price	Accum. Depn.	Current Yr Depn.	Book Value
Office equipment	21,375	13,585	7,630	7,790
Total Fixed Assets	21,375	13,585	7,630	7,790

AS AT 30 JUNE 2018

	Cost Price	Accum. Depn.	Current Yr Depn.	Book Value
Office equipment	19,447	5,955	2,297	13,492
Total Fixed Assets	19,447	5,955	2,297	13,492

6. AUDIT

This Performance Report has been subject to an audit engagement, please refer to Auditor's Report.

7. 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).

The Notes form part of the Performance Report.

This Performance Report should be read in conjunction with the attached Notes to the Performance Report.

NOTES TO THE PERFORMANCE REPORT

8. CONTINGENT LIABILITIES

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

9. PROFIT SHARING

The revenue received in advance in 2019 financial year (\$427,011) relates to a Towards Wellbeing Conference to be held in September 2019.

The revenue received in advance in 2018 financial year (\$330,826) relates to a Shaping Futures National Conference held in September 2018. The conference was jointly held by FSC & Workplace Savings NZ Incorporated (WSNZ). The share of profit transferred to WSNZ was \$54,370.

10. SUBSEQUENT EVENT

There are no subsequent events to the balance sheet date that would materially affect the financial statements.

Merger documents between FSC & WSNZ are signed on 11 March 2019.

BOARD MEMBERS AND MEETING ATTENDANCE

As at 30 June 2019.



ROB FLANNAGAN
Independent Chair
FSC



SIMON HOOLE
FSC Deputy Chair
Chief Financial Officer
AMP



NAOMI BALLANTYNE
Managing Director
Partners Life



SUSAN BASILE
Chief Operating
Officer, Insurance
BNZ



GAIL COSTA
CEO
Cigna



NIGEL JACKSON
Head of Investments
& Insurance
Westpac



CRISPIAN KNELL
Executive General
Manager, Distribution
Suncorp NZ



ADAM BOYD
Executive General Manager
ASB



KRISTY REDFERN
General Counsel
AIA New Zealand



CRAIG MULHOLLAND
Managing Director Wealth
ANZ



NADINE TEREORA
Chief Executive Officer
Fidelity Life

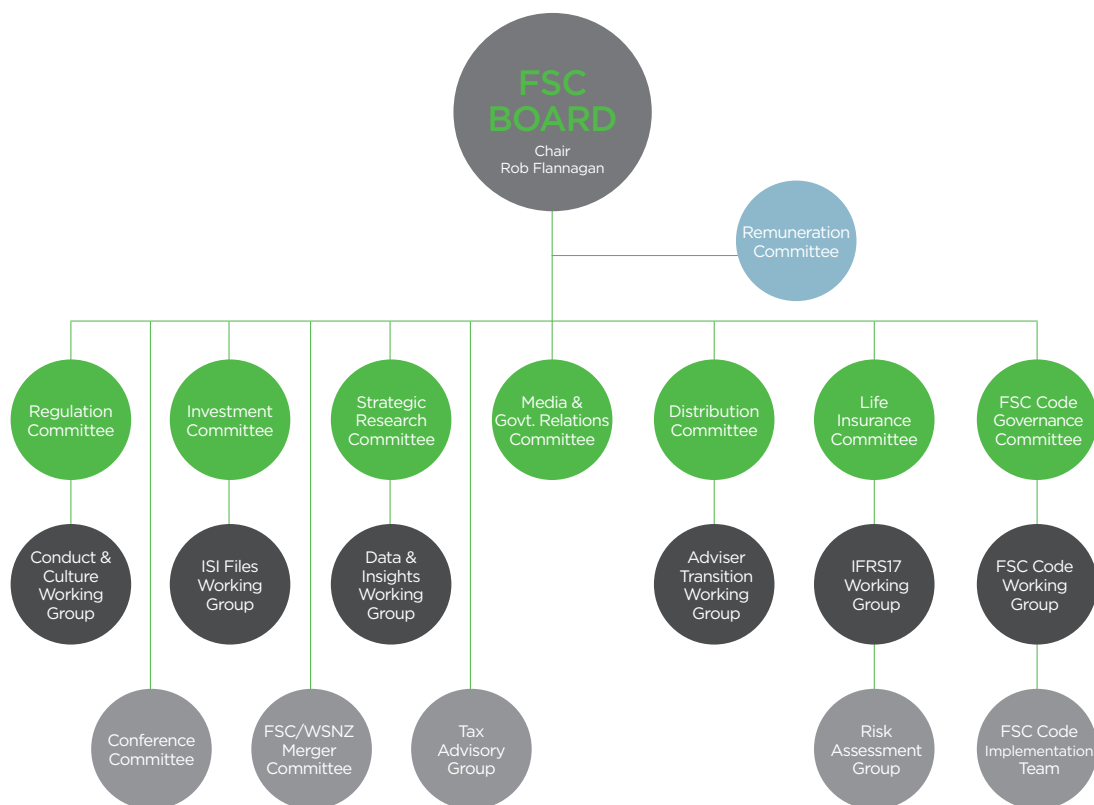


CHARLIE TROTTER
Managing Director
FNZ, NZ

NAME	ORGANISATION	BOARD MEETINGS DUE TO ATTEND	BOARD MEETINGS ATTENDED	NAME	ORGANISATION	BOARD MEETINGS DUE TO ATTEND	BOARD MEETINGS ATTENDED
Rob Flannagan		5	5	Susan Basile	BNZ	5	3
Charlie Trotter	FNZ	4	4	Gail Costa	Cigna	5	5
Crispian Knell	Asteron Life	5	4	Naomi Ballantyne	Partners Life	5	3
Kristy Redfern	AIA	5	5	Nick Stanhope ²	AIA	3	0
Nadine Tereora	Fidelity Life	5	4	Craig Mulholland ¹	ANZ	5	5
Nigel Jackson	Westpac	5	5	Adam Boyd ³	ASB	2	0
Simon Hoole	AMP	5	1				

FSC COMMITTEES AND GOVERNANCE

FSC Committee structure, as at 30 June 2019.



During the 12 months to 30 June 2019, the following committees met:

COMMITTEE	MEETING HELD IN 12 MONTHS TO 30 JUNE 2019	COMMITTEE	MEETING HELD IN 12 MONTHS TO 30 JUNE 2019
FSC Conference 2018 Committee	18	FSC Code of Conduct Governance Committee	10
FSC Cyber and Fraud Committee*	2	FSC Code Implementation Team	9
FSC Life Insurance Committee	11	FSC Code Working Group	5
Risk Assessment Group	6	FSC Regulation Committee	13
IFRS17 Working Group	5	Conduct and Culture Working Group	13
FSC Merger Committee	3	FSC Remuneration Committee	2
FSC Distribution Committee	10	FSC Strategic Research Committee	2
FSC Adviser Transition Working Group	12	Data and Insights Working Group	5
FSC Investment Committee	3	FSC Tax Advisory Group Committee	6
FSC ISI Files Working Group	3	FSC Media and Government Relations Committee	10

* Note: Not active at 30 June 2019

FINANCIAL SERVICES COUNCIL MEMBERS

MEMBERS



3M NZ Ltd Superannuation Scheme
AON NZ
BOC NZ Retirement Plan

Dairy Industry Superannuation Scheme
EDZ (NZ) Staff Superannuation Fund
MISS Scheme

NZAS Retirement Fund
NZ Fire Service Superannuation Scheme
RBNZ Staff Superannuation Scheme

ASSOCIATE MEMBERS



As at 23 September 2019



Independent auditor's report

To the members of Financial Services Council of New Zealand Incorporated

We have audited the performance report which comprises:

- the entity information;
- the statement of service performance;
- the statement of financial position as at 30 June 2019
- the statement of financial performance for the year then ended;
- the statement of changes in accumulated funds for the year then ended;
- the statement of cash flows for the year then ended;
- the statement of accounting policies; and
- other explanatory information.

Our opinion

In our opinion:

- a) the accompanying performance report of Financial Services Council of New Zealand (the "Council") on pages 11 to 23 present fairly, in all material respects, the entity information and the financial position of the Council as at 30th June 2019, and its service performance, financial performance and cash flows for the year ended on that date in accordance with Public Benefit Entity Simple Format Reporting – Accrual(Not-For-Profit); and
- b) the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are suitable.

Basis for opinion

We conducted our audit of the statement of financial position, the statement of financial performance, the statement of changes in accumulated funds, the statement of cash flows, statement of accounting policies and the related notes to the performance report in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). The audit of the entity information and the statement of service performance was conducted in accordance with International Standard on Assurance Engagements (New Zealand) 3000 (Revised) (ISAE (NZ) 3000).

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the performance report* section of our report.

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

We are independent of the Council in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* (PES 1) issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

INDEPENDENT AUDITOR'S REPORT



Other than in our capacity as auditor and associated member, we have no relationship with, or interests in, the council. Our associate membership has not impaired our independence as auditor of the Council.

Information other than the performance report and auditor's report

The Board Members are responsible for the annual report. Our opinion on the performance report does not cover the other information included in the annual report and we do not express any form of assurance conclusion on the other information.

In connection with our audit of the performance report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the performance report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board Members for the performance report

The Board Members are responsible, on behalf of the Council, for identifying outcomes and outputs, and quantifying outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance.

The Board Members are also responsible, on behalf of the Council, for the preparation and fair presentation of the performance report in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit), and for such internal control as the Board Members 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 Board Members are responsible for assessing the Council'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 Board Members either intend to liquidate the Council or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the performance report

Our objectives are to obtain reasonable assurance about whether the performance report, as a whole, is 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) or ISAE (NZ) 3000 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, they could reasonably be expected to influence the economic decisions of users taken on the basis of this performance report. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the performance report, including performing procedures to obtain evidence about and evaluating whether the reported outcomes and outputs and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

A further description of our responsibilities for the audit of the performance report is located at the External Reporting Board's website at:

<https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8/>

INDEPENDENT AUDITOR'S REPORT



Who we report to

This report is made solely to the Council's members as a body. Our audit work has been undertaken so that we might state those matters which we are required to state in an auditors' 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 Council's members of the Council, as a body, for our audit work, for this report or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Karl Deutsche.

For and on behalf of:

A handwritten signature in black ink that reads 'PricewaterhouseCoopers'.

Chartered Accountants
16 October 2019

Auckland

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