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FINANCIAL REPORT

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONSUMER NZ INCORPORATED

Opinion

We have audited the consolidated financial statements of Consumer NZ Incorporated (“the Society”) and its subsidiary (together, “the Group”), which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of comprehensive revenue and expense, consolidated statement of changes in net assets and consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2019, and its consolidated financial performance and its consolidated cash flows for the year then ended 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 in accordance with International Standards on Auditing (New Zealand) (“ISAs (NZ)”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners 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 or its subsidiary.

Boards’ Responsibilities for the Consolidated Financial Statements

The Board is responsible on behalf of the Group for the preparation and fair presentation of the consolidated financial statements in accordance with PBE Standards RDR, and for such internal control as the Board determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board is responsible on behalf of the Group for assessing the Group’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 either intends to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole 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) 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 decisions of users taken on the basis of these consolidated financial statements.



BDO Wellington Audit Limited

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Who we Report to

This report is made solely to the Society's 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 the Society's members, as a body, for our audit work, for this report or for the opinions we have formed.

BDO Wellington Audit Limited

BDO WELLINGTON AUDIT LIMITED
Wellington
New Zealand
6 March 2020

Consolidated Statement of Comprehensive Revenue and Expense

FOR THE YEAR ENDED 31 DECEMBER 2019 | CONSUMER NZ INCORPORATED

Revenue	NOTES	2019	2018
Revenue from non-exchange transactions	6		
Donations		33,597	35,951
		33,597	35,951
Revenue from exchange transactions			
Membership subscriptions		3,963,516	4,166,551
Interest revenue		144,191	149,416
Other operating revenue		2,211,450	2,389,020
		6,319,157	6,704,987
Total revenue		6,352,754	6,740,938
Expenses	7		
Production and distribution		877,837	914,203
Marketing & promotions		710,905	517,909
Depreciation and amortisation	12,13	251,886	288,675
Information technology		348,589	319,098
Personnel		3,180,151	2,965,088
Administration		1,012,846	906,857
Grants and donations		500	-
Total expenses		6,382,714	5,911,830
Surplus/(deficit) for the year		(29,960)	829,108
Total other comprehensive revenue and expense		-	-
Total comprehensive revenue and expense for the year		(29,960)	829,108

Consolidated Statement of Changes in Net Assets

FOR THE YEAR ENDED 31 DECEMBER 2019 | CONSUMER NZ INCORPORATED

	2019	2018
Opening balance as at 1 January	2,823,257	1,994,149
Total comprehensive revenue and expense for the year	(30,312)	828,684
Freda Love Foundation Reserves	352	424
Balance at 31 December	2,793,297	2,823,257

These financial statements should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Financial Position

FOR THE YEAR ENDED 31 DECEMBER 2019 | CONSUMER NZ INCORPORATED

Assets	NOTES	2019	2018
Current assets			
Cash and cash equivalents	9	510,198	747,487
Investments	10	3,890,657	3,510,300
Prepayments		59,836	363,157
Receivables from exchange transactions	11	345,438	326,456
		4,806,129	4,947,400
Non-current assets			
Investments	10	175,000	450,000
Intangible assets	12	489,080	381,929
Property plant and equipment	13	625,283	730,720
		1,289,363	1,562,649
TOTAL ASSETS		6,095,492	6,510,049
Liabilities			
Current liabilities			
Payables under exchange transactions	14	428,091	806,789
Employee entitlements	15	184,088	156,737
Deferred subscriptions revenue	19	1,680,337	1,733,199
Other provisions	20	20,556	20,556
Other deferred revenue		552,112	511,885
Total current liabilities		2,865,184	3,229,166
Non-current liabilities			
Deferred subscriptions revenue	19	291,970	298,030
Other provisions	20	145,040	159,596
		437,010	457,626
TOTAL LIABILITIES		3,302,194	3,686,792
NET ASSETS		2,793,297	2,823,257
Equity			
Accumulated comprehensive revenue and expense		2,782,518	2,812,831
Freda Love Foundation Reserves		10,779	10,426
Total net assets attributable to the owners of the controlling equity		2,793,297	2,823,257

Signed for and on behalf of the Board who approved these financial statements for issue on 6 March 2020.



Kate Tokeley Acting Chair



Julie Saunders Financial controller

These financial statements should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2019 | CONSUMER NZ INCORPORATED

	NOTES	2019	2018
Cash flows from operating activities			
Receipts			
Receipts from membership fees		4,523,611	4,699,806
Receipts from exchange transactions		2,535,585	2,745,535
Receipts from other non-exchange transactions		32,810	35,951
Interest received		135,112	137,062
		7,227,118	7,618,354
Payments			
Payments to suppliers		3,901,002	3,483,386
Payments to employees		3,150,934	2,961,342
		7,051,936	6,444,728
Net cash flows from operating activities		175,182	1,173,626
Cash flows from investing activities			
Receipts			
Sale of property, plant and equipment		-	8,130
Withdrawal of short term investments		4,010,300	4,925,000
		4,010,300	4,933,130
Payments			
Purchase of property, plant and equipment		23,619	602,443
Purchase of intangible assets		283,495	397,828
Investments in short term deposits		4,115,657	4,745,300
		4,422,771	5,745,571
Net cash flows from investing activities		(412,471)	(812,441)
Net increase/(decrease) in cash and cash equivalents		(237,289)	361,185
Cash and cash equivalents at 1 January		747,487	386,302
Cash and cash equivalents at 31 December	9	510,198	747,487

These financial statements should be read in conjunction with the notes to the financial statements.

Consolidated Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2019 | CONSUMER NZ INCORPORATED

1. Reporting entity

The reporting entity Consumer NZ Incorporated ("Consumer NZ") conducts consumer research and testing in New Zealand, and is a charitable organisation registered under the Incorporated Societies Act 1908 and Charities Act 2005 (registration number CC35296).

The consolidated financial statements comprising of Consumer NZ and its controlled entity, Consumer Foundation (incorporating the Emily Carpenter Consumer Charitable Trust), together the "Group", are presented for the year ended 31 December 2019.

These consolidated financial statements and the accompanying notes summarise the financial results of activities carried out by the Group. All entities within the Group are charitable organisations registered under the Charitable Trusts Act 1957 and the Charities Act 2005.

These consolidated financial statements have been approved and were authorised for issue by the Board on 6 March 2020.

2. Statement of Compliance

The consolidated financial statements presented have been prepared in accordance with generally accepted accounting practice in New Zealand ("NZ GAAP"). They comply with Public Benefit Entity International Public Sector Accounting Standards ("PBE IPSAS") and other financial reporting standards as appropriate that have been authorised for use by the External Reporting Board for Not-For-Profit entities. For the purposes of complying with NZ GAAP, the Group is a public benefit not-for-profit entity and is eligible to apply Tier 2 Not-For-Profit PBE IPSAS on the basis that it does not have public accountability, and it is not defined as large.

The Board has elected to report in accordance with Tier 2 Not-For-Profit PBE Accounting Standards and in doing so has taken advantage of all applicable Reduced Disclosure Regime ("RDR") disclosure concessions.

3. Summary of accounting policies

The significant accounting policies used in the preparation of these financial statements as set out below have been applied consistently to both years presented in these financial statements.

3.1 Basis of measurement

These consolidated financial statements have been prepared on the basis of historical cost.

3.2 Functional and presentational currency

The consolidated financial statements are presented in New Zealand dollars (\$) which is the Group's functional currency. All financial information presented in New Zealand dollars has been rounded to the nearest dollar.

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction.

Trade creditors or debtors denominated in foreign currency are reported at the consolidated statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognised as income or expenses in the period in which they arise.

3.3 Basis of consolidation

Controlled entities are entities over which the controlling entity has the power to govern the financial and operating policies so as to benefit from its activities. The controlled entities are consolidated from the date on which control is transferred and are de-consolidated from the date that control ceases. In preparing the consolidated financial statements, all inter entity balances and transactions, and unrealised gains and losses arising within the consolidated entity are eliminated in full. The accounting policies of the controlled entity are consistent with the policies adopted by the Group, controlled entity has a 31 December 2019 reporting date.

3.4 Financial instruments

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

The Group derecognises a financial asset when the rights to receive cash flows from the asset have expired or are waived, or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either:

- The Group has transferred substantially all the risks and rewards of the asset; or
- The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial Assets

Financial assets within the scope of NFP PBE IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets. The classifications of the financial assets are determined at initial recognition.

The categorisation determines subsequent measurement and whether any resulting revenue and expense is recognised in surplus or deficit or in other comprehensive revenue and expenses. The Group's financial assets are classified as either financial assets at fair value through surplus or deficit or loans and receivables. Financial assets include: cash and cash equivalents, short-term investments, receivables from non-exchange transactions, receivables from exchange transactions, and derivative financial instruments.

Consolidated Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2019 | CONSUMER NZ INCORPORATED

All financial assets except for those at fair value through surplus or deficit are subject to review for impairment at least at each reporting date.

Financial assets at fair value through surplus or deficit are carried in the statement of financial position at fair value with net changes in fair value presented as other expenses (negative net changes in fair value) or other revenue (positive net changes in fair value) in the statement of surplus or deficit.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less any allowance for impairment. The Group's cash and cash equivalents, short-term investments, receivables from non-exchange transactions, and receivables from exchange transactions are financial instruments.

Financial liabilities

The Group's financial liabilities include trade and other creditors (excluding GST and PAYE), and deferred revenue.

All financial liabilities are initially recognised at fair value (plus transaction cost for financial liabilities not at fair value through surplus or deficit). They are measured subsequently at amortised cost using the effective interest method except for financial liabilities at fair value through surplus or deficit in the Consolidated Statement of Comprehensive Revenue and Expense.

3.5 Income tax

Due to its charitable status, the Group is exempt from income tax.

3.6 Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except for receivables and payables, which are GST included.

The net GST recoverable from, or payable to, Inland Revenue Department is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the Inland Revenue Department is classified as part of operating cash flows.

3.7 Equity

Equity is the member's interest in the Group, measured as the difference between total assets and total liabilities. Equity is made up of the following components:

Accumulated comprehensive revenue and expense

Accumulated comprehensive revenue and expense is the accumulated surplus or deficit since its formation.

Freda Love Foundation Reserves

During 2017 the Freda Love Foundation donated \$10,000 to Consumer. The funds are administered by Consumer to meet the cost of filing fees and providing other assistance to consumers who bring cases against aged residential care providers in the Disputes Tribunal. The Freda Love Foundation received a donation of \$100 in 2018. Interest earned is added to the donation.

4. Significant accounting judgements, estimates and assumptions

Preparation of the Group's financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In applying the accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Estimates and assumptions

Key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. However, circumstances and assumptions about future developments, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to determine potential future use and value from disposal:

- The condition of the asset
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

The estimated useful lives of the asset classed held by the Group are listed in Note 12 and 13.

Consolidated Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2018 | CONSUMER NZ INCORPORATED

5. Group information subsidiaries

The consolidated financial statements of the Group include the following subsidiary:

Name of subsidiary	Principal activities	Country of incorporation	Percentage equity interest	
			2019	2018
Consumer Foundation (incorporating the Emily Carpenter Consumer Charitable Trust)	Supporting the education work of Consumer NZ to support a fair deal for all New Zealanders.	New Zealand	100%	100%

The reporting date of Consumer NZ and its subsidiary is 31 December.

There are no significant restrictions on the ability of the subsidiaries to transfer funds to Consumer NZ in the form of cash distributions or to repay loans or advances.

6. Revenue

Revenue from non-exchange transactions

Revenue is measured at the fair value of the consideration received. The following recognition criteria must be met before revenue is recognised.

Donations

Donations are recognised as revenue upon receipt and include donations from the public, donations received for specific programmes or services or donations in-kind. Donations in-kind include donations received for services, furniture and volunteer time and are recognised in revenue and expense when the services or goods are received. Donations in-kind are measured at their fair value as at the date of acquisition, ascertained by reference to the expected cost that would be otherwise incurred by the Group.

Revenue from non-exchange transactions received during each reporting period is made up of the following:

	2019	2018
Donations - General	22,206	3,753
Donations - Corporate**	6,791	21,798
Donations - Goods and Services	4,600	10,400
	33,597	35,951

** Corporate donations received in 2019 included \$5,000 from Vector Limited an electricity and gas distribution company. These funds acknowledged time spent by Consumer NZ providing advice on an electrical vehicle charging trial. Transpower \$1,791 donation for a staff member's time spent on the Transpower Consumer Advisory Panel.

Donations in-kind

Consumer NZ is the recipient of a US\$10,000 monthly grant in-kind from Google to assist running advertising for its free consumer advice services.

Revenue from exchange transactions

Membership subscription

Membership subscription is received in exchange for access to membership goods and services. It is initially recorded as revenue in advance and recognised in revenue evenly over the membership period.

Other revenue streams

All other revenue streams are recognised in the accounting period in which the goods or services are rendered.

Interest revenue

Interest revenue is recognised as it accrues, using the effective interest method.

Consolidated Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2019 | CONSUMER NZ INCORPORATED

7. Components of net surplus/(deficit)

Surplus/(deficit) includes the following specific expenses:

	2019	2018
Audit fees	11,730	10,211
Board fees and expenses*	115,045	83,095
Depreciation and amortisation	251,886	288,675
Donations and grants	500	-
Foreign exchange loss/(gain)	26,113	(13,642)
Information technology	348,589	319,098
Loss on disposal of assets	-	958
Marketing & promotions	710,905	517,909
Office premises rental	191,158	239,381
Other administration expenses	668,800	586,045
Personnel	3,180,151	2,965,898
Production and distribution	877,837	914,203
	6,382,714	5,911,830

*Board fees increased considerably from 2018, to reflect an increase in the responsibilities and participation of Board members in Consumer NZ activities, the evolving complexity of the environment in which Consumer NZ operates and the need to attract the right sort of talent and experience to the Board.

8. Auditor's remuneration

BDO Wellington provided audit services to the Group for \$11,730 in 2019 (2018: \$10,211). No non-audit services were provided by BDO Wellington during the year. (2018: \$nil).

9. Cash and cash equivalents

Cash and cash equivalents are short term, highly liquid investments that are readily convertible to cash and which are subject to an insignificant risk of changes in value.

Cash and cash equivalents include:

	31 Dec 2019	31 Dec 2018
Cash at bank	34,496	48,374
On-call deposit accounts	475,702	699,113
Total cash and cash equivalents	510,198	747,487

10. Investments

Short term investments comprise deposits greater than three months, no more than 12 months and therefore do not fall into the category of cash and cash equivalents.

	31 Dec 2019	31 Dec 2018
Term deposits - Maturing within 12 months of balance date	3,890,657	3,510,300
Term deposits - Maturing greater than 12 months but less than 24 months of balance date	175,000	450,000
	4,065,657	3,960,300

Consolidated Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2019 | CONSUMER NZ INCORPORATED

11. Receivables from exchange transactions

Receivables from exchange transactions include the following components:

	31 Dec 2019	31 Dec 2018
Trade debtors	269,135	259,233
Accrued interest	76,302	67,223
	345,437	326,456

12. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication the intangible asset may be impaired.

The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits or service potential in the asset

are considered to modify the amortisation period or method, and are treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite lives is recognised in surplus or deficit as an expense which is consistent with the function of the intangible assets.

The Group does not hold any intangible assets that have an indefinite life.

At 31 December 2019 the Group held work in progress, un-capitalised intangible assets valued at \$3,263. This relates to the development of promo codes on the main Consumer owned website.

Trademarks	10 years
Websites	4 years
Licences	3 years

31 December 2019	Software	Licences	Trademarks	Total
Cost/Valuation	2,494,356	1,650	17,272	2,513,278
Accumulated amortisation	2,011,560	1,559	11,079	2,024,198
Net book value	482,796	91	6,193	489,080

31 December 2018	Software	Licences	Trademarks	Total
Cost/Valuation	2,261,293	4,871	17,272	2,283,436
Accumulated amortisation	1,887,925	4,230	9,352	1,901,507
Net book value	373,368	641	7,920	381,929

Consolidated Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2019 | CONSUMER NZ INCORPORATED

Reconciliation of the carrying amount at the beginning and end of the period:

2019	Software	Licences	Trademarks	Total
Opening balance	373,368	640	7,920	381,928
Additions	233,063	-	-	233,063
Disposals	-	(3,221)	-	(3,221)
Amortisation on disposals	-	3,221	-	3,221
Amortisation	(123,635)	(549)	(1,727)	(125,911)
Closing balance	482,796	91	6,193	489,080

2018	Software	Licences	Trademarks	Total
Opening balance	194,689	1,190	9,648	205,527
Additions	372,807	-	-	372,807
Disposals	-	-	-	-
Amortisation on disposals	-	-	-	-
Amortisation	(194,128)	(549)	(1,728)	(196,405)
Closing balance	373,368	641	7,920	381,929

13. Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure directly attributable to the acquisition of the asset. Depreciation is charged on a straight line basis over the useful life of the asset. Depreciation is charged at rates calculated to allocate the cost of the asset less any estimated residual value over its remaining useful life:

Computer equipment	3 - 4 years
Office equipment	5 - 10 years
Office furniture, fixtures and fittings	9 - 10 years
Motor vehicles	5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and are adjusted if there is a change in the expected pattern of consumption of the future economic benefits or service potential in the asset.

31 December 2019	Fixtures & fittings	Motor vehicles	Computer equipment	Office equipment	Total
Cost/Valuation	625,628	56,216	144,473	157,257	983,574
Accumulated depreciation	104,200	41,533	94,218	118,340	358,291
Net book value	521,428	14,683	50,255	38,917	625,283

31 December 2018	Fixtures & fittings	Motor vehicles	Computer equipment	Office equipment	Total
Cost/Valuation	627,452	56,216	135,022	156,251	974,941
Accumulated depreciation	37,496	30,290	65,045	111,390	244,221
Net book value	589,956	25,926	69,977	44,861	730,720

Consolidated Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2019 | CONSUMER NZ INCORPORATED

Reconciliation of the carrying amount at the beginning and end of the period:

2019	Fixtures & fittings	Motor vehicles	Computer equipment	Office equipment	Total
Opening balance	589,956	25,926	69,977	44,861	730,720
Additions	-	-	19,531	1,007	20,538
Disposals	(1,824)	-	(10,081)	-	(11,905)
Depreciation on disposals	1,824	-	10,081	-	11,905
Depreciation	(68,528)	(11,243)	(39,253)	(6,951)	(125,975)
Closing balance	521,428	14,683	50,255	38,917	625,283

2018	Fixtures & fittings	Motor vehicles	Computer equipment	Office equipment	Total
Opening balance	898	32,096	57,246	26,431	116,671
Additions	616,747	8,696	50,827	35,277	711,547
Disposals	(385,136)	(7,957)	(93,708)	(136,274)	(623,074)
Depreciation on disposals	385,136	4,906	92,324	135,482	617,848
Depreciation	(27,689)	(11,816)	(36,712)	(16,054)	(92,271)
Closing balance	589,956	25,926	69,977	44,861	730,720

14. Payables under exchange transactions

	31 Dec 2019	31 Dec 2018
Trade creditors	215,753	640,431
Accruals	106,609	69,731
GST payable	105,729	96,627
	428,091	806,789

15. Employee entitlements

Wages, salaries and annual leave

Liabilities for wages and salaries, and annual leave are recognised in surplus or deficit during the period in which the employee provided the services. Liabilities for the associated benefits are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave

Employees of the Group become eligible for long-service leave after a certain number of years, depending on their contract. The liability for long-service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method.

	31 Dec 2019	31 Dec 2018
Annual leave	133,310	121,387
Payroll accrual	47,610	30,545
Service leave	3,168	4,805
	184,088	156,737

Consolidated Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2019 | CONSUMER NZ INCORPORATED

16. Related party transactions

G Bonnar provided office space and relevant utilities during 2019 (January to June), at her house in Auckland for use by locally based Consumer NZ, General Manager. The use of these facilities have then been donated. An additional charge was made for broadband and power expenses.

Related party	Description of the transaction	2019	2018	2019	2018
		Value of transactions	Value of transactions	Amount outstanding	Amount outstanding
G Bonnar	Expenses relating to office space and facilities, Auckland	4,600	10,400	-	-
G Bonnar	Expenses relating to broadband and power usage	600	1,200	-	-
G Bonnar	Donation relating to office space and facilities, Auckland	4,600	10,400	-	-

Key Management Personnel

The key management personnel, as defined by PBE IPSAS 20 Related Party Disclosures, are the members of the governing body which is comprised of the Board, Chief Executive Officer, Financial Controller, Head of Business Development, General Manager Digital, General Manager Business, Head of Research, and Head of Testing, which constitutes the governing body of the Group. The aggregate remuneration of key management personnel and the number of individuals, determined on a full-time equivalent basis, receiving remuneration is as follows:

	2019	2018
Total remuneration and directors fees	1,250,693	1,294,289
Number of full time equivalent persons	8	9

17. Leases

Payments on operating lease agreements, where the lessor retains substantially the risk and rewards of ownership of an asset, are recognised as an expense on a straight-line basis over the lease term.

Operating lease commitments

During 2018 the Group moved premises to 17 Whitmore Street. The lease runs from 1 September 2018 to 31 August 2027.

As at the reporting date, the Group has entered into the following non-cancellable operating leases in relation to office equipment and office rental:

	2019	2018
Not later than one year	180,026	179,726
Later than one year and no later than five years	695,465	695,340
Later than five years	461,734	634,883
	1,337,225	1,509,949

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18. Categories of financial assets and liabilities

The carrying amounts of financial instruments presented in the statement of financial performance relate to the following categories of assets:

Financial assets	31 Dec 2019	31 Dec 2018
Loans and receivables		
Cash and cash equivalents	510,198	747,487
Prepayments	59,836	363,157
Receivables from exchange transactions	345,438	326,456
Investments	4,065,657	3,960,300
	4,981,129	5,397,400

Financial liabilities

At amortised cost

Trade and other creditors	322,362	710,162
Deferred revenue (conditions attached)	2,524,419	2,543,114
	2,846,781	3,253,276

19. Deferred subscriptions revenue

	31 Dec 2019	31 Dec 2018
Current	1,680,337	1,733,199
Non-current		
1 year	247,239	255,047
1-2 plus years	44,731	42,983
	291,970	298,030

20. Other provisions

	31 Dec 2019	31 Dec 2018
Current		
Landlord fit out contribution	20,556	20,556
Non-current		
Landlord fit out contribution	137,040	157,596
Office premises make good provision	8,000	2,000
Total cash and cash equivalents	145,040	159,596

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21. Capital commitments

There is one capital commitment at the reporting date, the balance of the development of promo codes on the main Consumer website (work in progress at 31 December 2019), estimated completion expected by 31 March 2020, for \$60,000. (2018: \$30,000)

As at the reporting date a forward exchange rate is held with ASB Bank for AUD358,000 (NZD equivalent 379,116.81) with a value date of 29 January 2020, for settlement of the majority of the annual Choice testing contract (AUD357,600) due 31 January 2020.

22. Contingent assets and liabilities

There are no contingent assets or liabilities at the reporting date. (2018: \$Nil)

23. Events after the reporting date

The Board and management are not aware of any other matters or circumstances since the end of the reporting period, not otherwise dealt with in these financial statements, that have significantly or may significantly affect the operation of the Group. (2018: \$Nil)



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