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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 general purpose financial report of Consumer NZ Incorporated (“the Society”) and its subsidiaries (together, “the Group”), which comprise the consolidated Financial Statements on pages 1 to 18 and the consolidated Service Performance information on pages 19 to 23. The complete set of consolidated Financial Statements comprise the consolidated Statement of Financial Position as at 31 December 2022, consolidated Statement of Comprehensive Revenue and Expense, consolidated Statement of Changes in Net Assets and consolidated Statement of Cash Flows for the period then ended, and notes to the consolidated Financial Statements, including a summary of significant accounting policies.

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

- the consolidated financial position of the Group as at 31 December 2022, and of its consolidated financial performance, and its consolidated cash flows for the period then ended; and
- the consolidated service performance for the year ended 31 December 2022 in accordance with the Group’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 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 General Purpose Financial Report section of our report. We are independent of the Group 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.

We also provided Business Advisory services for Consumer NZ Incorporated. Other than in this capacity, and in our capacity as auditor, we have no relationship with, or interests in, Consumer NZ Incorporated or its subsidiary.



Board's Responsibilities for the General Purpose Financial Report

The Board is responsible on behalf of the Group for:

- (a) The preparation and fair presentation of the consolidated financial statements and consolidated service performance information in accordance with PBE 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
- (c) Such internal control as the Board determines is necessary to enable the preparation of the consolidated financial statements and service performance information that are free from material misstatement, whether due to fraud or error.

In preparing the general purpose financial report, 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 has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the General Purpose Financial Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole, and the consolidated 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, 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 our responsibilities for the audit of the general purpose financial report is located at the External Reporting Board's website at: <https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-13/>.

This description forms part of our auditor's report.

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
12 May 2023

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Consolidated Statement of Comprehensive Revenue and Expense

FOR THE YEAR ENDED 31 DECEMBER 2022 | CONSUMER NZ INCORPORATED

Revenue	NOTES	2022	2021
Revenue from non-exchange transactions			
Donations	6	135,591	136,210
Grants	6	73,513	92,896
Total revenue from non-exchange transactions		209,104	229,106
Revenue from exchange transactions			
Membership subscriptions		3,892,418	3,954,381
Dividend revenue		33,952	9,122
Other operating revenue	6	3,564,601	3,603,116
Total revenue from exchange transactions		7,490,971	7,566,619
Total revenue		7,700,075	7,795,725
Expenses			
Administration		816,689	717,791
Depreciation and amortisation	12,13	411,818	372,776
Grants & donations		-	-
Information technology		694,756	663,384
Marketing & promotion		1,221,499	1,650,577
Personnel		4,258,497	3,654,945
Production & distribution		1,028,565	868,815
Total expenses	7	8,431,824	7,928,288
Finance income	6	44,835	48,192
Net surplus from finance activities		44,835	48,192
Operating surplus / (deficit)		(686,914)	(84,371)
Other gains / (losses)			
Gain/(loss) on investments		(206,130)	10,791
Total other gains / (losses)		(206,130)	10,791
Surplus/(deficit) for the year		(893,044)	(73,580)
Total other comprehensive revenue and expenses		-	-
Total comprehensive revenue and expenses for the year		(893,044)	(73,580)

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Consolidated Statement of Financial Position

AS AT 31 DECEMBER 2022 | CONSUMER NZ INCORPORATED

Assets	NOTES	2022	2021
Current assets			
Cash and cash equivalents	9	395,150	408,711
Investments	10	2,766,119	3,694,033
Prepayments		154,045	88,516
Receivables from exchange transactions	11	379,814	357,946
Receivables from non-exchange transactions		-	11,006
Total current assets		3,695,128	4,560,212
Non-current assets			
Intangible assets	12	421,307	662,778
Property plant and equipment	13	441,178	542,518
Total non-current assets		862,485	1,205,296
Total Assets		4,557,613	5,765,508
Liabilities			
Current			
Payables under exchange transactions	14	347,455	457,575
Employee entitlements	15	174,112	116,159
Deferred subscriptions revenue	19	1,635,362	1,694,577
Other deferred revenue		321,151	506,760
Other provisions	20	20,556	20,556
Total current liabilities		2,498,636	2,795,627
Non-current liabilities			
Deferred subscriptions revenue	19	276,787	274,091
Other provisions	20	95,372	115,928
Total non-current liabilities		372,159	390,019
Total Liabilities		2,870,795	3,185,646
Net Assets		1,686,818	2,579,862
Equity			
Accumulated comprehensive revenue and expense		1,686,818	2,568,743
Freda Love Foundation Reserves	3	-	11,119
Total net assets attributable to the owners of the controlling equity		1,686,818	2,579,862

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Consolidated Statement of Changes in Net Assets

FOR THE YEAR ENDED 31 DECEMBER 2022 | CONSUMER NZ INCORPORATED

	Accumulated comprehensive revenue and expense	Freda Love Foundation Reserves	Total equity
Opening balance as at 1 January 2022	2,568,743	11,119	2,579,862
Movement from statement of comprehensive revenue and expense	(881,925)	(11,119)	(893,044)
Balance at 31 December 2022	1,686,818	-	1,686,818
Opening balance as at 1 January 2021	2,642,420	11,022	2,653,442
Movement from statement of comprehensive revenue and expense	(73,677)	97	(73,580)
Balance at 31 December 2021	2,568,743	11,119	2,579,862

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Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2022 | CONSUMER NZ INCORPORATED

Cash flows from operating activities	NOTES	2022	2021
Cash flow from operating activities			
Cash was provided from/(applied to):			
Receipts from membership fees		3,835,900	4,581,425
Receipts from exchange transactions		3,306,481	4,297,715
Receipts from other non-exchange transactions		209,103	211,890
Interest received		24,912	70,072
(Payments) to suppliers		(3,918,178)	(4,924,403)
(Payments) to employees		(4,152,772)	(3,881,434)
Net cash from operating activities		(694,554)	355,265
Cash flow from investing activities			
Cash was provided from/(applied to):			
(Purchases) of fixed assets	13	(32,897)	(97,057)
Disposals of fixed assets	13	-	1,068
(Purchases) of investments		(1,800,000)	(4,270,000)
Disposals of investments		2,550,000	4,495,878
(Purchase) of intangible assets	12	(36,110)	(458,368)
Disposal of intangible assets	12	-	-
Net cash from investing activities		680,993	(328,479)
Net increase / (decrease) in cash and cash equivalents		(13,561)	26,786
Cash and cash equivalents, beginning of the year		408,711	381,925
Cash and cash equivalents at end of the year	9	395,150	408,711

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



Robert Aitken Chair



Kate Tokeley Deputy Chair

Signed for and on behalf of the Board who approved these financial statements for issue on 4 March 2023.

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Consolidated Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2022 | 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 2022.

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 12 May 2023.

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, except as explained in Note 3.4, which addresses changes in accounting policies.

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 2022 reporting date.

3.4 Changes to accounting policies

(a) Changes due to the initial application of a new, revised, and amended PBE Standards

(i) PBE IPSAS 41 Financial Instruments

PBE IPSAS 41 Financial Instruments is effective from 1 January 2022 and was adopted by the Group on that date.

PBE IPSAS 41 introduces new recognition and measurement requirements for financial assets and restricts the ability to measure financial assets at amortised cost to only those assets that are held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. In addition, measurement

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Consolidated Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2022 | CONSUMER NZ INCORPORATED

of financial assets at fair value through other comprehensive revenue and expense is also restricted.

PBE IPSAS 41 has had an immaterial impact on the Group measurement and recognition of financial instruments, as financial assets that were recognised as loans and receivables are now recognised as amortised cost

(ii) PBE FRS 48 Service Performance Reporting

PBE FRS 48 Service Performance Reporting is effective for periods from 1 January 2022 and was adopted by the Group on that date.

PBE FRS 48 requires specific disclosures for the reporting of service performance information which have been provided in the consolidated statement of service performance.

3.5 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 41. On initial recognition, a financial asset is classified as measured at: amortised cost; Fair value through other comprehensive revenue and expense (FVOCRE) – debt investment and equity investment; or fair value through surplus or deficit (FVTSD). 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 amortised cost. Financial assets include: cash and cash equivalents, short-term investments, receivables from non-exchange transactions, receivables from exchange transactions, and derivative financial instruments.

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.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTSD:

- it is held within a management model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCRE as described above are measured at FVTSD. This includes all derivative financial assets (see Note 10 and 18). On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCRE as at FVTSD if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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.

3.6 Income tax

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

3.7 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.

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Consolidated Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2022 | CONSUMER NZ INCORPORATED

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.

3.8 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. During the period ending December 2022, the Foundation was brought to a close and the original donations refunded to the donors.

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.

5. Group information subsidiaries

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

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.

Subsidiary	Principal activities	Country of incorporation	Percentage equity interest	
			2022	2021
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%

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Consolidated Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2022 | CONSUMER NZ INCORPORATED

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:

	2022	2021
Donations - General	103,800	68,919
Donations - Corporate*	31,791	67,291
Grants**	73,513	92,896
Total revenue from non-exchange transactions	209,104	229,106

*Corporate donations received in 2022 were from: \$1,791 Transpower for a staff member's time spent on the Transpower Consumer Advisory Panel, \$20,000 ASB Bank and \$10,000 Chorus NZ, supporting the Consumer NZ Utua atu initiative.

**Grants received in 2022 included \$45,323 from National Emergency Management Agency (NEMA), \$10,000 Mental Health Foundation, \$5,000 UDL Research, and a net \$13,190 from Waste Minimisation Fund for the Built to Last project.

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.

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Consolidated Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2022 | CONSUMER NZ INCORPORATED

Revenue from other exchange transactions	2022	2021
Business development	434,184	208,213
Consumer programme licence fees	888,936	1,014,997
Digital pass sales	166,248	194,573
Other income	66,547	64,651
Powerswitch	2,008,686	2,022,922
Survey data sales	-	97,760
Revenue from other exchange transactions	3,564,601	3,603,116

Finance income

Interest income on bank deposits	44,835	48,192
Total finance income	44,835	48,192

7. Components of net surplus/(deficit)

Surplus/(deficit) includes the following specific expenses:

Other Operating Revenue	2022	2021
Audit fees	21,105	16,890
Board fees and expenses	104,347	109,617
Depreciation and amortisation	411,819	372,776
Foreign exchange loss/(gain)	(4,509)	(7,170)
Information technology and websites	694,755	663,384
Loss on disposal of assets	-	4,823
Marketing and communications	1,221,499	1,650,577
Office premises rental	239,280	219,175
Other administration expenses	456,466	374,456
Personnel	4,258,497	3,654,945
Production and distribution	1,028,565	868,815
	8,431,824	7,928,288

8. Auditor's remuneration

BDO Wellington provided audit services to the Group for \$21,105 in 2022 (2021: \$16,890). No non-audit services were provided by BDO Wellington during the year (2021: \$nil).

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Consolidated Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2022 | CONSUMER NZ INCORPORATED

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:

	2022	2021
Cash at bank	343,052	167,894
On-call deposit accounts	52,098	240,817
Total cash and cash equivalents	395,150	408,711

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. In June 2021 the Group commenced investing in an investment portfolio.

	2022	2021
Term deposits - Maturity within 12 months of balance date	920,000	2,050,000
Portfolio investment	1,846,119	1,644,033
Short term investments	2,766,119	3,694,033

11. Receivables from exchange transactions

Receivables from exchange transactions include the following components:

	2022	2021
Trade debtors	365,018	347,030
Accrued interest	14,796	10,916
Total receivables from exchange transactions	379,814	357,946

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Consolidated Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2022 | CONSUMER NZ INCORPORATED

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 2021 the Group held work in progress, un-capitalised intangible assets valued at \$97,838. This relates to the server hosting project for the main Consumer website. These assets were finalised and capitalised during the 2022 year.

The amortisation periods for the Groups assets are as follows:

Trademarks	10 years
Websites	4 years
Licences	3 years

Reconciliation of the carrying amount at the beginning and end of the period: The attached notes to the financial statements form part of and should be read in conjunction with the financial statements.

2022	Software	Licences	Trademarks	Total
Cost/Valuation	3,044,533	550	17,272	3,062,355
Accumulated amortisation	(2,625,477)	(550)	(15,021)	(2,641,048)
Closing balance	419,056	-	2,251	421,307

2022				
Opening balance	659,447	-	3,331	662,778
Additions	133,948	-	-	133,948
Movement in WIP	(97,837)	-	-	(97,837)
Disposals	-	-	-	-
Amortisation	(276,502)	-	(1,080)	(277,581)
Closing balance	419,056	-	2,251	421,307

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Consolidated Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2022 | CONSUMER NZ INCORPORATED

2021	Software	Licences	Trademarks	Total
Cost/Valuation	3,008,423	550	17,272	3,026,245
Accumulated amortisation	(2,348,976)	(550)	(13,941)	(2,363,467)
Closing balance	659,447	-	3,331	662,778

2021				
Opening balance	536,532	-	4,516	541,048
Additions	269,071	-	-	269,071
Movement in WIP	97,837	-	-	97,837
Disposals	-	-	-	-
Amortisation	(243,993)	-	(1,185)	(245,178)
Closing balance	659,447	-	3,331	662,778

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

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Consolidated Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2022 | CONSUMER NZ INCORPORATED

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

2022	Fixtures & fittings	Motor vehicles	Computer equipment	Office equipment	Total
Cost/Valuation	639,734	8,696	270,800	160,766	1,079,996
Accumulated depreciation	(312,840)	(7,943)	(203,989)	(114,046)	(638,818)
Net book value	326,894	753	66,811	46,720	441,178

2022

Opening balance	396,982	2,492	90,321	52,723	542,518
Additions	-	-	28,881	4,016	32,897
Disposals	-	-	-	-	-
Depreciation on disposals	-	-	-	-	-
Depreciation	(70,088)	(1,739)	(52,391)	(10,019)	(134,237)
Net Book Value	326,894	753	66,811	46,719	441,178

2021	Fixtures & fittings	Motor vehicles	Computer equipment	Office equipment	Total
Cost/Valuation	639,734	8,696	241,918	156,750	1,047,098
Accumulated depreciation	(242,752)	(6,204)	(151,598)	(104,027)	(504,580)
Net book value	396,982	2,492	90,321	52,723	542,518

2021

Opening balance	460,320	4,232	90,990	45,052	600,593
Additions	6,520	-	53,521	21,556	81,597
Disposals	-	-	(8,602)	(24,864)	(33,466)
Depreciation on disposals	-	-	1,113	21,170	22,283
Depreciation	(69,858)	(1,739)	(46,701)	(10,191)	(128,489)
Net Book Value	396,982	2,492	90,321	52,723	542,518

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Consolidated Notes to the Financial Statements

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14. Payables under exchange transactions

	2022	2021
Trade creditors	212,123	262,454
Accruals	24,545	103,240
Sundry payables	12,220	-
GST (refundable) / payable	98,567	91,881
Total payables under exchange transactions	347,455	457,575

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.

	2022	2021
Annual leave	206,151	150,519
Payroll accrual	(44,497)	(44,370)
Service leave	12,458	10,010
Total employee entitlements	174,112	116,159

16. Related party transactions

There were no related party transactions relating to either 2022 or 2021.

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 at year end of the Board, Chief Executive Officer, Head of Finance (vacant), Head of Experience & Marketing, Head of Research & Advocacy, Head of Content and Head of Business Revenue & Growth. During 2022, the following role was removed from the governing body – Head of Strategy, Insights & Digital. The aggregate remuneration of key management personnel and the number of individuals, determined on a full-time equivalent basis, receiving remuneration is as follows:

	2022	2021
Total remuneration and directors fees	1,121,977	965,901
Number of full time equivalent persons	7	7

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Consolidated Notes to the Financial Statements

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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.

During 2021 the Group entered into a new five-year operating lease for a multi-functional printing device. As at the reporting date, the Group has entered into the following non-cancellable operating leases in relation to office equipment and office rental:

Leases	2022	2021
Not later than one year	247,780	260,409
Later than one year and no later than five years	956,076	1,008,091
Later than five years	-	165,353
Total lease commitments	1,203,856	1,433,853

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	2022	2021
At amortised cost		
Cash and cash equivalents	395,150	408,711
Prepayments	154,045	88,516
Receivables from exchange transactions	379,814	357,946
Receivables from non-exchange transactions	-	11,006
Financial assets at fair value through surplus or deficit		
Investments	2,766,119	3,694,033
Total financial assets	3,695,128	4,560,212

Financial liabilities

At amortised cost		
Trade and other creditors	248,888	365,694
Deferred revenue (conditions attached)	2,233,299	2,475,428
Total financial liabilities	2,482,187	2,841,122

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Consolidated Notes to the Financial Statements

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19. Deferred subscriptions revenue

	2022	2021
Current	1,635,362	1,694,577
Non-current		
1 year	240,370	240,553
1-2 plus years	36,417	33,538
Total non-current	276,787	274,091
Total Deferred subscriptions revenue	1,912,149	1,968,668

20. Other provisions

Current		
Landlord fit out contribution	20,556	20,556
Non-current		
Landlord fit out contribution	75,372	95,928
Office premises make good provision	20,000	20,000
Total non-current	95,372	115,928
Total Other provisions	115,928	136,484

21. Capital commitments

There are no capital commitments at the reporting date (2021 \$28,000).

22. Contingent assets and liabilities

There are no contingent assets or liabilities at the reporting date. (2021: \$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. (2021: \$Nil)

Consolidated Statement of Service Performance

For the year ended 31 December 2022

This report has been prepared in accordance with PBE FRS 48 Service Performance Reporting. The Board of Trustees of Consumer NZ Incorporated believes that the statements contained in this report accurately reflect the overall performance of Consumer NZ Incorporated for the year ended 31 December 2022.

Consumer New Zealand is an independent, not for profit established in 1959. We are dedicated to being the unbiased voice that protects and empowers New Zealand consumers. Our mission is to understand the dynamics of the modern marketplace and use our work to empower all New Zealand consumers to navigate that marketplace with confidence. We do this by undertaking product testing, research and investigations, disseminating information and engaging in advocacy to advance the interests of our members and those of consumers generally.

Our activities include:

- Testing products and services, and making recommendations based on our findings
- Investigating issues we consider consumers need to know more about
- Mystery shopping businesses and surveying customer satisfaction
- Conducting market research on consumer sentiment and using those findings to inform our work programme and to help stakeholders understand consumer need
- Advising and informing consumers about their rights and how to exercise them
- Campaigning to get laws and regulations changed to benefit consumers

We conduct in-house testing and commission independent laboratories to carry out our product tests. We use our findings to encourage manufacturers and service providers to raise the bar in terms of safety, sustainability, durability and effectiveness. We belong to Consumers International which means we can draw on experience and information from consumer organisations around the world to inform our work.

We commission mystery shopping to investigate whether businesses are complying with consumer protection laws. Our findings are referred to enforcement agencies where appropriate. We join with other advocacy groups pushing for change to benefit consumers where appropriate.

Our work is primarily funded via membership. Members pay to access our member-only information and advice. Membership fees also help fund our research, investigations and campaigns. Other funds are sourced from business programmes, contract work, donations and grants.

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Primary ways we carry out our service performance activities:

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Product Testing and Research

- Delivering product test results and research findings to members, with some content made available to the general public to help with consumer decision-making. This can include contracting with other organisations (such as Government agencies) to deliver outputs that benefit consumers.
- We produced six magazine issues, bringing together advice, information and advocacy work.

	2022	2021
Number of product types tested	48	38
Number of product tests	68	54
Number of individual products tested	962	718
Number of magazine issues produced	6	6
Number of magazines distributed	112,847	106,440

Membership and support

- Consumer NZ members have access to all our content and advisory services. Consumers not wanting to become members can purchase a digital pass providing full access to all content for a seven-day period. Some content is publicly available at no charge, particularly where information is of high importance to consumer safety, such as test results for sunscreen products.
- Supporters are comprised of paying members, and non-paying consumers who support the work we do and wish to stay in the know of what we are working on. For example; receiving campaign update emails and/or being invited to complete Consumer NZ surveys.

	2022	2021
Number of members at year-end	39,667	40,620
Number of supporters at year-end	171,914	120,004
Number of digital pass sales in the year	8,929	11,189

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Primary ways we carry out our service performance activities:

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Advice and Information

- We provide advice and information across multiple channels including our magazine, websites (consumer.org.nz and powerswitch.org.nz), podcast, social media channels, regular media appearances and through our consumer advisory service.
- Consumer.org.nz is our most popular channel by a considerable margin.

	2022		2021
consumer.org.nz			
Site visits (sessions)	5,473,053		5,301,353
Top 5 product types viewed and number of page views			
Washing machines	283,085	Washing machines	344,289
Air fryers	240,291	Vacuum cleaners	239,242
Stick vacuum cleaners	230,778	Air fryers	205,930
Laundry detergents	197,189	Stick vacuum cleaners	190,245
Dishwashers	174,927	Fridges	184,767
Top 5 article topics of interest and number of page views			
Sunscreens	255,857	How to add your vaccine pass to your phone screen	195,270
Buying a mask	91,539	Covid-19 what's open and what's closed	148,820
Fencing law	69,808	Fencing law	125,208
Consumer Guarantees Act	58,736	Why you should keep your Covid cert in a digital wallet	88,322
How to add your vaccine pass to	37,203	Sunscreens	59,053

- Our energy comparison site, powerswitch.org.nz continued to grow in 2022. Powerswitch plays an important role in the energy sector by promoting competition between energy retailers through price comparison and switching activity:

	2022	2021
Powerswitch.org.nz		
Number of visits (sessions) to Powerswitch website	868,759	818,617
Switches initiated	26,921	21,321
Confirmed switches	10,874	7,211
Total number of consumers within database	399,508	358,184

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Primary ways we carry out our service performance activities:

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- Our consumer advice line is available to help members with any consumer-related issues such as problems with faulty products, poor service or misleading conduct by a retailer.

	2022	2021
Consumer advice line		
Number of individual inquiries received	4,517	5,069
Number of individual members who contacted us for advice	2,722	2,647

- We produce the podcast Consume This. The podcast covers an interesting range of consumer-related topics and is aimed at a younger (25-40 years old) audience. Consume This won gold in the climate award category in the 2022 New Zealand podcast awards.

- Consume This is available on all popular podcast platforms and is free to access.

	2022	2021
Consume this		
Number of episodes produced	15	10
Average number of listeners per episode	1,701	2,648

- We undertake customer satisfaction surveys conducted with either our members or a representative population sample using an external provider. Analysis of the findings is conducted by our in-house market research experts. The findings from surveys helps inform our work programmes, provide advice to consumers and form an evidence base for advocacy. For example, the People's Choice award recognises products and services that perform strongly in overall satisfaction in Consumer NZ surveys.

- Surveys conducted in 2022 included: banking and Kiwisaver, car reliability, appliance/product reliability, technology reliability, insurance providers, energy providers and telecommunications. (Surveys conducted in 2021 included: banking and Kiwisaver, energy providers, appliance/product reliability, technology reliability, insurance providers, membership research, sentiment tracker (quarterly), built to last campaign (six monthly), supermarket pricing, sunscreens, car reliability, retailer satisfaction and fast moving consumer goods.)

	2022	2021
Market research		
Number of internal surveys (Consumer NZ supporters) produced	10	5
Number of surveys conducted via external providers	14	9

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Primary ways we carry out our service performance activities:

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Campaigns and Submissions

- We campaigned on topics that materially impact consumers' lives with a strategic focus on the following areas:

2022	2021
The cost of living	COVID-19
The climate cost of consumption	End unfair gift card expiry
Data and privacy	Supermarkets
Health and wellbeing	Sunscreen
Housing fairness	

- Our campaign work includes information dissemination, submissions on policy and legislation, public advocacy, petitions, industry and government engagement and significant amounts of pro-active and reactive media engagement. This activity is supported by our evidence-based research, testing and investigations work.
- We have seen progress on several campaign issues with law changes being included in proposed legislation. We have engaged our members and supporters and allowed their voice to be heard by running petitions and seeking examples of trader conduct directly from affected consumers. Examples include misleading pricing practices at supermarkets, property managers over-collecting personal information from tenants and misrepresentations by airlines about passenger refund and compensation rights.
- Significant research projects were completed on rental privacy rights and electricity billing practices.

	2022	2021
Campaigns and submissions		
Total number of major campaigns	4	2
Submissions completed	22	21



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