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Financial Report

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 2021, 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 2021, 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 International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Board’s 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 has no realistic alternative but to do so.



BDO Wellington Audit Limited

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.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at: <https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-7/>.

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
4 March 2022

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Consolidated Statement of Comprehensive Revenue and Expense

FOR THE YEAR ENDED 31 DECEMBER 2021 | CONSUMER NZ INCORPORATED

Revenue	NOTES	2021	2020
Revenue from non-exchange transactions	6		<i>Restated</i>
Grants		92,896	55,032
Donations		136,210	18,601
		229,106	73,633
Revenue from exchange transactions			
Membership subscriptions		3,954,381	3,894,258
Interest revenue		68,106	105,588
Other operating revenue		3,603,116	2,158,473
		7,625,603	6,158,319
Total revenue		7,854,709	6,231,952
Expenses	7		
Production and distribution		868,815	866,261
Marketing & promotions		1,650,577	682,023
Depreciation and amortisation	12,13	372,776	268,932
Information technology		663,384	586,362
Personnel		3,654,945	3,081,846
Administration		717,791	791,510
Total expenses		7,928,288	6,276,934
Surplus/(deficit) for the year		(73,580)	(44,982)
Total other comprehensive revenue and expense		-	-
Total comprehensive revenue and expense for the year		(73,580)	(44,982)

Consolidated Statement of Changes in Net Assets

FOR THE YEAR ENDED 31 DECEMBER 2021 | CONSUMER NZ INCORPORATED

	2021	2020
Opening balance as at 1 January	2,653,441	2,698,423
Total comprehensive revenue and expense for the year	(73,677)	(45,225)
Freda Love Foundation Reserves	97	244
Balance at 31 December	2,579,862	2,653,441

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

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Consolidated Statement of Financial Position

FOR THE YEAR ENDED 31 DECEMBER 2021 | CONSUMER NZ INCORPORATED

Assets	NOTES	2021	2020
Current assets			<i>Restated</i>
Cash and cash equivalents	9	408,711	381,925
Investments	10	3,694,033	3,895,878
Prepayments		88,516	218,329
Receivables from exchange transactions	11	357,946	520,858
Receivables from non-exchange transactions		11,006	-
		4,560,212	5,016,990
Non-current assets			
Intangible assets	12	662,778	541,048
Property plant and equipment	13	542,518	600,593
		1,205,296	1,141,641
Total Assets		5,765,508	6,158,632
Liabilities			
Current liabilities			
Payables under exchange transactions	14	457,575	638,882
Employee entitlements	15	116,159	280,233
Deferred subscriptions revenue	19	1,694,577	1,660,486
Other provisions	20	20,556	20,556
Other deferred revenue		506,760	472,842
Total current liabilities		2,795,627	3,072,999
Non-current liabilities			
Deferred subscriptions revenue	19	274,091	301,707
Other provisions	20	115,928	130,484
		390,019	432,191
Total Liabilities		3,185,646	3,505,191
Net Assets		2,579,862	2,653,441
Equity			
Accumulated comprehensive revenue and expense		2,568,743	2,642,418
Freda Love Foundation Reserves		11,119	11,022
Total net assets attributable to the owners of the controlling equity		2,579,862	2,653,441

Signed for and on behalf of the Board who approved these financial statements for issue on 4 March 2022.



Robert Aitken Chair



Kate Tokeley Deputy

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

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Consolidated Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2021 | CONSUMER NZ INCORPORATED

Cash flows from operating activities	NOTES	2021	2020
Receipts			
Receipts from membership fees		4,581,425	4,469,671
Receipts from exchange transactions		4,297,715	2,208,827
Receipts from other non-exchange transactions		211,890	57,139
Interest received		70,072	133,026
		9,161,102	6,868,663
Payments			
Payments to suppliers		4,924,403	3,705,613
Payments to employees		3,881,434	3,043,053
		8,805,837	6,748,666
Net cash flows from operating activities		355,265	119,997
Cash flows from investing activities			
Receipts			
Sale of property, plant and equipment		1,068	8,614
Withdrawal of short term investments		4,495,878	4,548,645
		4,496,946	4,557,259
Payments			
Purchase of property, plant and equipment		97,057	110,397
Purchase of tangible assets		458,367	324,254
Investments in short term deposits		4,270,000	4,370,878
		4,825,424	4,805,529
Net cash flows from investing activities		(328,479)	(248,270)
Net increase/(decrease) in cash and cash equivalents			
		26,786	(128,273)
Cash and cash equivalents at 1 January		381,925	510,198
Cash and cash equivalents at 31 December	9	408,711	381,925

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

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Consolidated Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2021 | 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 2021.

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 4 March 2022.

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 2021 reporting date.

3.4 Changes to accounting policies

There were no significant changes to the accounting policies during the reporting period, other than as noted below.

During the year, the IRFS Interpretations Committee (IFRIC) published its final agenda decision on accounting for configuration and customisation costs in a Software-as-a-Service (SaaS) arrangement. Accordingly, the Group revised its accounting policy in relation to its SaaS arrangements during the year as follows:

Software-as-a-Service (SaaS) Arrangements are service contracts providing the Group with the right to access the software provider’s application software over the contract period. Costs incurred to configure or customise, and the ongoing fees to obtain access to the software provider’s application software, are recognised as operating expenses when the services are received.

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Consolidated Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2021 | CONSUMER NZ INCORPORATED

Historical financial information has been restated to account for the impact to this change in accounting policy is as follows:

Adjustments relating to the IFRIC decision on SaaS items

	2020 Amount per previous Financial Statements \$	2020 Amount per revised Financial Statements \$	Difference \$
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Consolidated Statement of Comprehensive Revenue and Expenditure

Operating Expenses			
Amortisation	186,962	150,634	(36,328)
Total comprehensive revenue and expense for the year	(81,309)	(44,981)	36,328

Consolidated Statement of Changes in Net Assets

Opening balance as at 1 January	2,793,297	2,698,422	(94,875)
Total net assets as at 31 December	2,711,988	2,653,441	(58,547)

Statement of Financial Position

Accumulated comprehensive revenue and expense	2,711,988	2,653,441	(58,547)
Intangible Assets	599,595	541,048	(58,547)
Net Assets/Equity	2,711,988	2,653,441	(58,547)

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 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.

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.

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Consolidated Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2021 | CONSUMER NZ INCORPORATED

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.

3.6 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.

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.

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.

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Consolidated Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2021 | CONSUMER NZ INCORPORATED

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:

Name of subsidiary	Principal activities	Country of incorporation	Percentage equity interest	
			2021	2020
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:

	2021	2020
Donations - General	68,919	16,810
Donations - Corporate*	67,291	1,791
Grants**	92,896	55,032
	229,106	73,633

*Corporate donations received in 2021 were from: \$1,791 Transpower for a staff member's time spent on the Transpower Consumer Advisory Panel, \$20,000 Simplicity Charitable Trust, \$20,000 ASB Bank, \$20,000 Chorus NZ, \$5,500 Vodafone NZ all supporting the Consumer NZ Utua atu initiative.

**Grants received in 2021 included \$85,586 from the Ministry for Environment, Waste Minimisation Fund for the Built to Last project, and \$7,310 from the New Zealand Law Society to support a review of retirement village contracts (continuing from 2020).

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 2021 | CONSUMER NZ INCORPORATED

Other Operating Revenue

	2021	2020
Business development	208,213	205,560
Consumer programme licence fees	1,014,996	932,330
Digital pass sales	194,573	174,604
Other income	64,651	79,810
Powerswitch	2,022,922	702,919
Survey data sales	97,760	63,250
	3,603,116	2,158,473

7. Components of net surplus/(deficit)

Surplus/(deficit) includes the following specific expenses:

	2021	2020
Audit fees	16,890	16,770
Board fees and expenses	109,617	105,796
Depreciation and amortisation	372,776	268,932
Foreign exchange loss/(gain)	(7,170)	10,528
Information technology and websites	663,384	586,362
Loss on disposal of assets	4,823	(205)
Marketing and communications	1,650,577	682,023
Office premises rental	219,175	192,477
Other administration expenses	374,456	466,143
Personnel	3,654,945	3,081,846
Production and distribution	868,815	866,261
	7,928,288	6,276,934

8. Auditor's remuneration

BDO Wellington provided audit services to the Group for \$16,890 in 2021 (2020: \$16,770).

No non-audit services were provided by BDO Wellington during the year. (2020: \$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 2021	31 Dec 2020
Cash at bank	167,894	41,770
On-call deposit accounts	240,817	340,155
Total cash and cash equivalents	408,711	381,925

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Consolidated Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2021 | CONSUMER NZ INCORPORATED

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. As at the reporting date the portfolio has recognised a gain of \$24,033 since inception.

	31 Dec 2021	31 Dec 2020
Term deposits - maturing within 12 months of balance date	2,050,000	3,895,878
Portfolio investment	1,644,033	-
	3,694,033	3,895,878

11. Receivables from exchange transactions

Receivables from exchange transactions include the following components:

	31 Dec 2021	31 Dec 2020
Trade debtors	347,030	479,982
Accrued interest	10,916	40,876
	357,946	520,858

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.

The amortisation periods for the Groups assets are as follows:

Trademarks	10 years
Websites	4 years
Licences	3 years

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Consolidated Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2021 | CONSUMER NZ INCORPORATED

31 December 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
Net book value	659,447	-	3,331	662,778

31 December 2020	Software	Licences	Trademarks	Total
Cost/Valuation	2,641,515	550	17,272	2,659,337
Accumulated amortisation	2,104,983	550	12,756	2,118,289
Net book value	536,532	-	4,516	541,048

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

2021	Software	Licences	Trademarks	Total
Opening balance	536,532	-	4,516	541,048
Additions	366,908	-	-	366,908
Disposals	-	-	-	-
Amortisation on disposals	-	-	-	-
Amortisation	(243,993)	-	(1,185)	(245,178)
Closing balance	659,447	-	3,331	662,778

2020	Software	Licences	Trademarks	Total
Opening balance	387,920	92	6,193	394,205
Additions	297,478	-	-	297,478
Disposals	-	(1,100)	-	(1,100)
Amortisation on disposals	-	1,100	-	1,100
Amortisation	(148,866)	(92)	(1,677)	(150,634)
Closing balance	536,532	-	4,516	541,048

The attached notes to the financial statements form part of and should be read in conjunction with the financial statements. Comparative information for 2020 has been restated due to a change in accounting policy related to the capitalisation of intangible assets. Refer to 3.4 Changes to Accounting Policies for more information. The financial statements have been adjusted for these changes retrospectively, which means that it was as if they had not been capitalised in the first place.

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Consolidated Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2021 | CONSUMER NZ INCORPORATED

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

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 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	6,203	151,598	104,027	504,580
Net book value	396,982	2,493	90,321	52,723	542,518

31 December 2020

Cost/Valuation	633,214	8,696	199,649	160,057	1,001,617
Accumulated depreciation	172,894	4,464	108,660	115,006	401,024
Net book value	460,320	4,232	90,990	45,052	600,593

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

2021	Fixtures & fittings	Motor vehicles	Computer equipment	Office equipment	Total
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)	(33,465)
Depreciation on disposals	-	-	1,113	21,170	22,283
Depreciation	(69,858)	(1,739)	(46,701)	(10,191)	(128,489)
Closing balance	396,982	2,492	90,321	52,723	542,518

2020

Opening balance	521,428	14,683	50,255	38,917	625,283
Additions	7,587	-	79,606	13,700	100,893
Disposals	-	(47,521)	(24,430)	(10,900)	(82,850)
Depreciation on disposals	-	40,393	24,430	10,742	75,565
Depreciation	(68,694)	(3,323)	(38,872)	(7,408)	(118,297)
Closing balance	460,320	4,232	90,990	45,052	600,593

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Consolidated Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2021 | CONSUMER NZ INCORPORATED

14. Payables under exchange transactions

	31 Dec 2021	31 Dec 2020
Trade creditors	262,454	462,846
Accruals	103,240	60,353
GST payable	91,881	115,683
	457,575	638,882

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 2021	31 Dec 2020
Annual leave	150,519	130,977
Payroll accrual	(44,370)	142,424
Service leave	10,010	6,832
	116,159	280,233

16. Related party transactions

There were no related party transactions relating to either 2020 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 of the Board, Chief Executive Officer, Head of Finance & Corporate Services, Head of Experience & Marketing, Head of Communications & Campaigns, Head of Content and Head of Strategy, Insights & Digital 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:

	2021	2020
Total remuneration and directors fees	965,901	1,203,120
Number of full time equivalent persons	7	8

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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:

	2021	2020
Not later than one year	260,409	180,429
Later than one year and no later than five years	1,008,091	699,773
Later than five years	165,353	288,583
	1,433,854	1,168,785

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 2021	31 Dec 2020
Loans and receivables		
Cash and cash equivalents	408,711	381,925
Prepayments	88,516	218,330
Receivables from exchange transactions	357,946	520,858
Investments	11,006	-
	3,694,033	3,895,878

Financial liabilities

At amortised cost		
Trade and other creditors	365,694	523,199
Deferred revenue (conditions attached)	2,475,428	2,435,035
	2,841,122	2,958,234

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19. Deferred subscriptions revenue

	31 Dec 2021	31 Dec 2020
Current	1,694,577	1,660,486
Non-current		
1 year	240,553	258,319
1-2 plus years	33,538	43,388
	274,091	301,707

20. Other provisions

	31 Dec 2021	31 Dec 2020
Current		
Landlord fit out contribution	20,556	20,556
Non-current		
Landlord fit out contribution	95,928	116,484
Office premises make good provision	20,000	14,000
	115,928	130,484

21. Capital commitments

There is three capital commitments at the reporting date, the balance of the Consumer website projects campaigns, tagging and gift memberships (work in progress, 31 December 2021 \$120,348), estimated completion expected by 28 February 2022, of \$28,000. (2020: \$25,000)

22. Contingent assets and liabilities

There are no contingent assets or liabilities at the reporting date. (2020: \$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. (2020: \$Nil)

24. Covid-19 impact

The overall financial performance impact to the Group due to Covid-19, was low in 2021, as also in 2020, and the Group maintained a stable financial position. This is despite the worldwide economic impact uncertainty.

The key area that experienced some revenue shortfall was within business programmes licencing. This was mainly due to several factors including, laboratory tests in Australia and Europe being delayed or cancelled in the year due to Covid-19 lockdowns and restrictions, limiting new recommended products available.



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