



# **ANNUAL REPORT**

## **2008**

**The Association of Superannuation Funds of New Zealand Inc**

Tel: (04) 381 3382 Fax: (04) 381 3392 PO Box 19-194, Wellington, New Zealand

# ASFONZ ANNUAL REPORT AND FINANCIAL STATEMENTS 2008

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## **ASFONZ – our Mission**

THE mission of ASFONZ is to be the Voice of Workplace Savings, advancing the sustainable, effective, and efficient delivery of workplace savings outcomes for all involved.

## **ASFONZ – Our Strategic Direction**

- Promote ASFONZ as the “Voice of Workplace Savings”
- Work with the Government to develop policies that achieve improved workplace savings and KiwiSaver outcomes.
- Identify and promote initiatives and reforms that will provide efficiencies and enhancements to minimise the extent to which regulatory factors impede delivery of effective and efficient workplace savings outcomes, and those that will encourage sustainable participation in workplace savings.
- Support employers, trustees and providers in their delivery of optimal workplace savings outcomes
- Improve public confidence in workplace savings by consistently reinforcing integrity, accountability, and professionalism within the workplace savings industry
- Serve ASFONZ members, and its supporters, by providing a range of services to meet their needs and deliver value for their participation.

## CHAIRMAN'S REPORT

ASFONZ' 40<sup>th</sup> year of supporting workplace savings is shaping up as one of our busiest yet. Our focus for 2009 is ensuring we make a real difference for all those with an interest in the delivery of effective long term savings outcomes for workers – including KiwiSaver. We look forward to the continuing support of our members and financial supporters in making our voice heard where it counts.

ASFONZ continues to promote great workplace savings outcomes in New Zealand through advocacy and education. Our key focus areas continue to be:-

- originating submissions and commentary on existing and proposed legislative and public policy initiatives,
- promoting legislative and public policy initiatives beneficial to the optimum workplace savings outcomes, and
- providing education and other related services to members through our National Conferences and Forums, industry functions, trustee and employer workshops, as well as recognising excellence in workplace savings communication through our annual awards.

### **Recent Successes**

#### **Advocacy**

- Remuneration strategies & workplace savings – our input and submissions contributed to the repeal of the ill-considered employment law changes introduced by the Employment Relations (Breaks, Infant Feeding, and Other Matters) Amendment Act 2008, which came into force in September 2008.
- KiwiSaver Act – our input & submissions continue to assist the development of more workable law
- Financial Advice – last minute discussions between ASFONZ & the Commerce Minister introduced greater certainty for employers about giving guidance on workplace savings products
- Complying Super Funds – our submissions lead to measures being made available for pre-KiwiSaver workplace super schemes, to co-exist with KiwiSaver on an equal footing
- Consent Free Transfers – our efforts resulted in enhancements to superannuation laws to help employers with master trust arrangements to more easily change providers, and facilitate scheme amalgamations.

#### **Learning & Development**

Late in 2008 we successfully piloted a new education module targeting HR professionals, employers and superannuation providers.

This module, called "Introduction to Workplace Savings", covers:

1. An overview of workplace superannuation and how KiwiSaver fits;
2. Employer obligations / employment relations;
3. Workplace savings - Tax basics; and
4. Offering a scheme to the public, the consequences of getting it wrong and the issues of advice.

ASFONZ continues to achieve successes in each of its chosen focus areas. Those successes are due to the efforts of the Executive Director and our hard working Secretariat, and of each Councillor. Their expertise and time spent for the benefit of employers, trustees, savers and the wider workplace savings industry is truly appreciated.

### **Looking Forward**

KiwiSaver, which impacts on every employer in the country, commenced 1 July 2007. From 1 April 2008 employer compulsory contributions started, and again on 1 April 2009 yet more changes came into effect. These most recent changes for KiwiSaver include:

- Compulsory Employer Contributions capped at 2.0% with a corresponding cap on Employer Superannuation Contributions Tax relief;
- Removal of the Employer Tax Credit;
- Minimum member contributions reduced from 4.0% to 2.0%; and
- Removal of the Member Fee Subsidy.

Each of these changes will have an impact on all participants involved in workplace savings delivery, and ultimately will impact on retirement savings outcomes for a significant number of New Zealanders.

ASFONZ has made it clear to the Government that we are now looking for a period of legislative stability for KiwiSaver and Complying Funds. The ability of the savings industry to build certainty for KiwiSaver members is extremely important at present - not only because of current poor investment returns from many markets and funds, but also because constant rule changes since KiwiSaver was first announced have limited the industry's ability to develop value-adding enhancements for savers and employer participants.

The Minister of Revenue and Government officials have been sympathetic to our message, and we have been reassured that there are no more "big bang" policy changes for KiwiSaver in contemplation at this stage. However, we all agree that changes should be introduced as the need for specific remedial changes are identified, with the annual tax Bill the likely legislative platform to promote any remedial changes – hopefully with a minimum of compliance upheaval for providers and employers. The Minister very much sees KiwiSaver as embedded into NZ's savings framework – "it's here to stay" was the key message we heard.

In 2009 ASFONZ will be focusing on what is now required to support the improved education of workplace savings participants, making things easier for employees, employers and the self-employed to participate in any workplace savings arrangement (including KiwiSaver) on a sustainable basis, ensuring the right regulatory mechanisms are in place so as to not discourage them, or the providers on whom they rely, from doing so.

### **Who makes-up the ASFONZ Council?**

(As at 31 March 2009)

<b>Chairman</b>	David Ireland, BCA LLB MNZTA Kensington Swan
<b>Vice-Chairman</b>	David Penney, FCII Dip. Bus. Studies ASB Group Investments
<b>Treasurer</b>	Bruce Dutton, BA The New Zealand Anglican Church Pension Board

## **Councillors**

Monica Davis  
Airways Superannuation Plan

Graham Evans, BSc AIA AIAA  
Independent Consultant

Dianne Kidd  
Independent Director

John Melville, BSc FIA FNZSA  
Melville Jessup Weaver

Ian Miller  
Tower Asset Management

Murray Sarelius, BBS CA  
KPMG

## **Appreciations**

ASFONZ could not function without the help of a large number of people and organisations and it is proper and fitting that in this report there is an acknowledgement of the thanks that are due to:

- the ASFONZ Councillors for their energy and commitment to ASFONZ, including the significant efforts spent on crafting our numerous submissions;
- the Conference sub-committee and the ASFONZ Secretariat who organised "Sustainable Workplace Savings" - the very successful ASFONZ 2008 National Conference & Super Expo;
- the education programme presenters for their expertise and time;
- the judges of the annual ASFONZ Communication Awards for their time and dedication to the task;
- our financial supporters, without whom ASFONZ could not have achieved the significant outcomes produced in 2008; and
- our professional advisers, in particular Chapman Tripp, Kensington Swan and Splash Consulting for the assistance provided on various issues affecting the day-to-day operations of ASFONZ and technical input into our initiatives.

In addition, and gratefully, thanks need to be given to all members of ASFONZ for their support in yet another year of considerable upheaval and change. Your ongoing contribution and participation in ASFONZ initiatives is critical to our continuing success. As part of that participation, we would love to hear from you about the workplace savings issues that matter most to you – the ASFONZ Secretariat door is always open to those with an interest in improving workplace savings outcomes.

We look forward to your continuing support in 2009 and beyond.



David Ireland, BCA LLB MNZTA  
**Chairman**  
15 April 2009

## 2008 – A YEAR IN REVIEW

### 2008 ASFONZ ACTIVITIES

#### **ASFONZ 2008 National Conference & Super Expo**

*Sustainable Workplace Savings* was the theme of the 2008 ASFONZ National Conference held in August at the Auckland SKYCITY Convention Centre.

ASFONZ again attracted a very high standard of both domestic and international presenters speaking on a range of relevant and interesting topics.

Delegates have told us that our 2008 National Conference and Super Expo were very enjoyable, and well received by the almost 200 delegates who attended.

ASFONZ remains committed to ensuring that our Conferences continue as the flagship gatherings for the promotion of workplace savings in New Zealand.

In 2009 we will once again be hosting our biennial one day Forum. This year's Forum will be held at Te Papa in Wellington on 6 August 2009. We will have more detail on the Forum programme in the near future.

#### **2008 Communication Awards**

The ASFONZ Communication Awards remain highly valued by both recipients and the savings industry. We believe that the ASFONZ Communication Awards set the benchmark for industry good communication practice. We are therefore delighted that the Government Actuary said, in his 2008 Annual Report, "I am pleased to note that the Association of Superannuation Funds of New Zealand continues to promote its annual competition on Excellence in Reporting".

ASFONZ wishes to thank the competition judges for volunteering their time and expertise to judge the 2008 entries. The judges who selected the Award recipients were David Kneebone (Office of the Retirement Commissioner), Tamsyn Parker (Business Reporter, NZ Herald), and Helen McKenzie (Tyndall Investment Management).

Congratulations to all the winners, in particular the winner of the overall ***Excellence in Communication Award***, who was:

#### **ASB First Choice KiwiSaver Scheme**

The winners of the individual categories were:

*Best Annual Reporting*

#### **Seafarers Retirement Fund**

*Best KiwiSaver Communication*

#### **ASB First Choice KiwiSaver Scheme**

*Best Other Communication*

#### **ASB KiwiSaver Scheme**

*Best Communication by a "New Entrant"*

#### **ING (N.Z.) Limited**

The winning entries can be seen at <http://www.asfonz.org.nz/WinningEntries2008.asp>

## **Education Programme**

The ASFONZ Certificate in Trusteeship comprises four modules:

- Introduction to Trusteeship,
- Introduction to Wholesale Investing,
- Advanced Investing
- Best Practice Governance.

The ASFONZ Certificate recognises a commitment to learning industry best practice. We continue to encourage each ASFONZ member to make completion of the ASFONZ Certificate the minimum formal learning benchmark for each of their trustees.

The Education Sub-Committee is tasked with ensuring that these education modules continue to be relevant, of interest and in demand. Member feedback on course content is welcomed.

## **Industry Breakfasts and Seminars**

Once again, a series of successful breakfast meetings were held in Wellington and Auckland during 2008, including several organised in conjunction with Women in Super.

Breakfasts continue to be a very useful forum for informative discussions, with time for members to meet and exchange views in a relaxed environment. ASFONZ has planned a programme of industry events on important issues over the coming months and into the remainder of 2009.

## **SuperNews**

*SuperNews*, the Association's electronic newsletter for members, continues to be published bimonthly, with the 2008 editions being well received. *SuperNews* contains articles on items of interest to ASFONZ members, as well as providing brief, topical updates on current issues and upcoming events. Offers of in-depth articles on industry happenings remain very welcome.

## 2008 – A YEAR IN REVIEW

### ADMINISTRATION & FINANCE

#### **Council Membership during 2008**

During 2008, the ASFONZ appointed officials were:

Chairman:	John Melville (till August 2008) David Ireland (from August 2008)
Vice-Chairman:	David Penney
Treasurer:	Bruce Dutton
Association Secretary:	Bruce Kerr

The full list of Councillors who served during the 2008 year is as follows:

<b>Name</b>	<b>Initial Year of Election</b>	<b>Status</b>
Monica Davis	2008	Continuing
Bruce Dutton	2004	Re-elected 2007, Continuing
Graham Evans	2008	Continuing
Dianne Kidd	2006	Re-standing for Election 2009
David Ireland	2007	Continuing
Susan Leuchars	2007	Resigned April 2008
John Melville	2004	Re-elected 2007, Continuing
Ian Miller	2008	Continuing
David Penney	2004	Re-elected 2007, Continuing
Murray Sarelius	2007	Continuing
Graeme Sutherland	2007	Resigned April 2008

ASFONZ greatly appreciates the contribution made by both Susan Leuchars and Graeme Sutherland and we wish each of them well for their future endeavours.

During the year the following Council sub-committees took much of the workload in the areas of:

- **Profile and Growth** – which focussed on branding & marketing, membership, website, Industry Breakfasts, SuperNews, sponsorships, Communication Awards, Surveys, Internal Engagement & Financial Budget;

Comprises: Monica Davis (Convenor), Bruce Dutton & Ian Miller;

- **Public Policy** – which focussed on building relationships with politicians, submissions on legislative developments, proactive lobbying, promotion of public debate, website & financial budgets;

Comprises: David Penney (Convenor), Graham Evans & Murray Sarelius.

- **Education** – which focussed on specialist industry training courses, ASFONZ marketing collateral & marketing plan for courses, develop key industry relationships, ASFONZ 2008 National Conference, website & financial budget;

Comprises: Dianne Kidd (Convenor), David Ireland & John Melville;

- **Media Relations** – which focussed on relationships with the media, preparation and release of media statements and articles;

Comprises: Association Chairman & Executive Director.

In addition, the Council established a Conference Committee to plan the ASFONZ 2008 National Conference & Super Expo.

### **Council Meetings**

During 2008 the ASFONZ Council meet nine (9) times - 16 January, 13 February, 12 March, 29 April (AGM), 11 June, 9 July, 28 August, 15 October, and 9 December.

Most Council meetings were held by teleconference. Council Sub-Committees also met on numerous occasions during the year.

### **Membership**

At year end, there were 130 Organisation members of ASFONZ (2007: 153).

Strengthening our position as the “Voice of workplace savings” we enjoyed good representation across all sectors of the workplace savings industry among our members.

We believe that the workplace savings landscape will continue to evolve and change in 2009 and beyond, and for this reason we will focus on the issues of key importance for our members in 2009 which includes consistently refreshing the direction of our voice to ensure we remain relevant for our members in this changing environment. We will also continue to encourage greater participation from employers that are master trust or KiwiSaver participants.

Retention and growth of membership is critical to our ongoing success. Achieving our membership goals will be made easier if existing members and product & service providers to the industry are active advocates of the work undertaken by ASFONZ.

### **Public Consultation and Submissions**

During the year to 31 December 2008 ASFONZ made the following submissions:

- Submission to the Securities Commission on Changes to Investment Statements – Information about Adviser Disclosure;
- Submission on the Financial Service Providers (Registration and Disputes Resolution) Bill;
- Submission to the Securities Commission on Responsible Investment Disclosure by KiwiSaver Scheme Providers;

- Submissions on the Financial Advisors Bill (Three separate submission were made), as well as urgent meetings with the Minister of Commerce to address concerns at the eleventh hour;
- Submission on the Securities Act (Superannuation Schemes – Summary of Financial Statements) Exemption Notice;
- Submission on the Taxation (International Taxation, Life Insurance and Remedial Matters) Bill
- Submission on Trans-Tasman Retirement Savings Portability
- Submission on the Employment Relations (Breaks, Infant Feeding, And Other Matters) Amendment Act 2008

ASFONZ was also involved in ongoing consultation with officials from the Ministry of Economic Development and Inland Revenue.

### **Secretariat**

Executive Director	Bruce Kerr, Dip. Bus. Studies
Administrative Assistant	Shelley Grace

ASFONZ appreciates the contribution made by Julie Tennie in her brief time in the Secretariat, and we wish her well for her future endeavours.

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### **Financial Results**

The overall financial results for the year ended 31 December 2008 show an operating deficit of \$23,954 (compared to 2007 operating surplus of \$52,631), resulting in member funds being reduced to \$203,693 by the end of the year.

Major financial changes in 2008 were:

- Membership subscription income of \$50,311 (\$80,482 in 2007). Reduced income reflects the reduction in employer branded schemes following the launch of KiwiSaver, and the realignment of the Association's membership structure which saw the removal of the Associate Member category and its associated fee structure.
- a surplus of \$19,830 (\$10,490 from the one-day Forum in 2007) from the ASFONZ 2008 National Conference & Super Expo,
- sponsorship income of \$95,208 (\$111,042 in 2007),
- One-off expenses associated with marketing and advocacy (\$15,748 and \$8,240 respectively), and
- Professional support with media relations.

Councillors identified 2008 as a year for ASFONZ to invest, and ensure the cost effective delivery of services for our members. Whilst the deficit recorded was disappointing,

against a target of breaking even, it is not an outcome with which we are uncomfortable. We will continue to invest in the future of workplace savings and continue to strive to deliver value for our members and supporters.

### **Financial Supporters 2008/09**

Once again in 2008 ASFONZ engaged with a number of industry participants who have become the financial supporters of our Association. In return for their financial assistance, at three defined levels, each supporter receives a range of tangible benefits from ASFONZ as well as significant brand exposure. It is appropriate that we formally acknowledged and thank our financial supporters. They are:

#### *Gold Supporters*

- AMP Financial Services/AMP Capital Investors
- ASB Group Investments
- AXA New Zealand
- Tyndall Investment Management (until 31 May 2008)

#### *Silver Supporters*

- ING (NZ) Limited
- Jacques Martin New Zealand Limited
- Mercer (N.Z.) Limited
- TOWER Asset Management Ltd

#### *Bronze Supporters*

- BlackRock Investment Management (Australia) Limited
- BT Funds Management (NZ) Ltd
- Chapman Tripp
- KPMG
- Russell Investment Group Limited
- Simpson Grierson

**THE ASSOCIATION OF SUPERANNUATION FUNDS OF NEW ZEALAND INC**

**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED  
31 DECEMBER 2008**

	2008 \$	2007 \$
<b><u>INCOME</u></b>		
Association Breakfasts	8,847	7,129
Conference Income	149,284	28,993
Education Programme	5,058	9,111
Interest Received	18,460	16,440
Less Tax on Interest	(5,238)	(5,095)
Membership Fees – Note 3	50,311	80,482
Seminars	-	10,928
Sponsorship	95,208	111,042
<b>Total Income</b>	<b>321,930</b>	<b>259,030</b>
<b><u>EXPENDITURE</u></b>		
A.C.C. Levy	137	92
Association Breakfast Expenses	14,226	6,064
Audit Fees	3,000	3,296
Bad Debts	-	44
Bank & Credit Card Charges	636	193
Communication Awards	3,084	2,370
Conference Expenses	129,454	18,503
Council Meeting Expenses	4,578	9,547
Depreciation	1,670	1,572
Education Programme – Delivery	1,331	3,913
Education Programme – Development	5,626	-
Executive Director Expenses	2,418	2,210
General Expenses	2,742	414
Marketing Expenses	15,748	-
Media Releases	7,735	-
Postage General	776	968
Printing & Stationery	3,956	7,064
Rent & Rates	12,500	12,500
Repairs & Maintenance Computer	252	1,321
Seminar Expenses	-	16,760
Software Purchased	206	162
Submission Expenses	8,240	-
Survey Expenses	2,004	-
Telephone & Tolls	3,128	4,248
Wages	107,044	91,170
Web-Site	15,393	23,988
<b>Total Expenses</b>	<b>345,884</b>	<b>206,399</b>
<b>(DEFICIT)/SURPLUS FOR THE YEAR</b>	<b>(\$23,954)</b>	<b>\$52,631</b>

The accompanying accounting policies and notes form an integral part of these financial statements.

**THE ASSOCIATION OF SUPERANNUATION FUNDS OF NEW ZEALAND INC**

**STATEMENT OF MOVEMENTS IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008 \$	2007 \$
Members' Funds Previous Year	227,648	175,017
(Deficit)/Surplus for Current Year	(23,954)	52,631
<b>Members' Funds End of Year</b>	<b>\$203,693</b>	<b>\$227,648</b>

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2008**

	2008 \$	2007 \$
<b><u>Current Assets</u></b>		
Accrued Interest	3,884	3,355
Association Debtors	16,004	2,261
Bank of New Zealand	177,752	230,183
GST Refund	-	3,329
National Bank Deposit	64,740	60,060
Provisional Tax Paid	2,420	-
	<u>264,800</u>	<u>299,188</u>
<b>Fixed Assets</b> – Note 4	1,574	2,692
<b>TOTAL ASSETS</b>	<u>266,374</u>	<u>301,880</u>
<b><u>Current Liabilities</u></b>		
Accounts Payable	13,758	26,429
GST Payable	4,229	-
Provision for Tax	5,238	5,095
Sponsorship in Advance	37,500	42,708
Subscriptions in Advance	1,956	-
<b>TOTAL LIABILITIES</b>	<u>62,681</u>	<u>74,232</u>
<b>NET ASSETS</b>	<u><b>\$203,693</b></u>	<u><b>\$227,648</b></u>
Represented by:		
<b>Member Funds</b>	<u><b>\$203,693</b></u>	<u><b>\$227,648</b></u>

These financial statements were approved for issue by:



**Treasurer**  
Date: 15 April 2009



**Executive Director**  
Date: 15 April 2009

The accompanying accounting policies and notes form an integral part of these financial statements.

**THE ASSOCIATION OF SUPERANNUATION FUNDS OF NEW ZEALAND INC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

**NOTE 1**

**STATEMENT OF ACCOUNTING POLICIES**

**General Accounting Policies**

The association is registered as an incorporated society under the Incorporated Societies Act 1908. These financial statements have been prepared under NZ Generally Accepted Accounting Practice (NZ GAAP) and comply with the Financial Reporting Act 1993.

The following general accounting policies have been adopted in the preparation of the Financial Statements.

- (i) The measurement base adopted is that of historical cost and reliance is placed on the fact that the Association is a going concern.
- (ii) Accrual accounting is used to record expenses and revenue.

**Particular Accounting Policies**

Particular accounting policies which materially affect the measurement of surplus financial position have been applied as follows:

Depreciation

Depreciation has been calculated using the diminishing value method to amortise the cost of the assets over their expected lives.

**Changes in Accounting Policy**

There have been no changes in accounting policies and all policies have been applied on bases consistent with those used in previous years.

**NOTE 2**

**Differential Reporting**

The Association qualifies for certain exemptions under the "Framework for Differential Reporting" issued by the New Zealand Institute of Chartered Accountants as it does not have public accountability and is within the prescribed level of assets and revenues.

The Association has taken all available exemptions.

**NOTE 3**

**Membership Fees Received**

<u>Membership Category</u>	2008	2007
	\$	\$
1-10 Members	-	444
2-150 Members (Previously 11-100)	8,178	5,482
101-250 Members	-	7,378
151-500 Members (Previously 251-500)	12,444	11,200
501-1,000 Members (Previously 501-1,500)	10,667	17,733
Over 1,000 Members (Previously 1,500+)	17,600	13,000
Associate Members	-	23,333
Individual Members	1,422	1,912
Total Membership Fees	50,311	80,482

**NOTE 4**

**Fixed Assets**

	Rate %	Cost Price	2008 Depreciation	Accumulated Depreciation	Book Value 2008	Book Value 2007
Computer	60.0	1,298	202	1,163	134	337
Printer	60.0	484	75	434	50	125
NoteBook	60.0	1,421	612	1,013	408	1,019

Projector	60.0	1,688	726	1,204	484	1,211
Paper Shredder	33.3	455	-	455	-	-
Office Furniture	15.6	552	55	55	498	-
		<b>5,898</b>	<b>1,670</b>	<b>4,324</b>	<b>1,574</b>	<b>2,692</b>

## **NOTE 5**

### **Lease Commitments**

The Association has entered into the following lease arrangements:-

1. A premises lease arrangement for 3 years to 31 March 2009 at a fixed annual rate plus variable operating expenses; and
2. An equipment lease arrangement for 2 years 18 July 2010 at a fixed annual rate plus variable operating expenses.

<b>Lease Expense</b>	<b>Current Commitment</b>	<b>Non-current Commitment</b>
Office space	\$3,125	\$0
Document Centre	\$720	\$420

**AUDIT REPORT  
TO THE MEMBERS OF  
THE ASSOCIATION OF SUPERANNUATION FUNDS OF NEW ZEALAND INC**

We have audited the financial statements on pages 12 to 15. The financial statements provide information about the past financial performance of The Association of Superannuation Funds of New Zealand Inc (the "Association") and its financial position as at 31 December 2008. This information is stated in accordance with the accounting policies set out on page 14.

This report is provided solely for your exclusive use. Our report is not to be used for any other purpose, recited or referred to in any document, copied or made available (in whole or in part) to any other person without our prior written express consent. We accept or assume no duty, responsibility or liability to any other party in connection with the report or this engagement, including without limitation, liability for negligence.

**The Council Members' Responsibilities**

The Council is responsible for the preparation, in accordance with New Zealand law and generally accepted accounting practice, of financial statements which fairly reflect the financial position of the Association as at 31 December 2008 and the results of its operations for the year ended on that date.

**Auditor's Responsibilities**

It is our responsibility to express to you an independent opinion on the financial statements presented by the Council Members.

**Basis of Opinion**

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the Council Members in the preparation of the financial statements, and
- whether the accounting policies are appropriate to the Association's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with New Zealand Auditing Standards. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to obtain reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

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

**Unqualified Opinion**

We have obtained all the information and explanations that we have required.

In our opinion the financial statements on pages 12 to 15, fairly reflect the financial position of Association as at 31 December 2008 and the results of its operations for the year ended on that date.

Our audit was completed on 15 April 2009 and our unqualified opinion is expressed as at that date.



**Chartered Accountants  
WELLINGTON, NEW ZEALAND**