



RECIPES FOR RETIREMENT

ANNUAL REPORT 2016/2017



**Commission for
Financial Capability**
Building wealthy lives



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Presented to the House of Representatives by the Retirement Commissioner pursuant to section 150(3) of the Crown Entities Act 2004. The Retirement Commissioner is an Autonomous Crown Entity under the Crown Entities Act 2004, with its role established under the New Zealand Superannuation and Retirement Income Act 2001. The Commission for Financial Capability (CFFC) is the office of the Retirement Commissioner.

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FROM THE RETIREMENT COMMISSIONER

In 2016/17 we made some significant progress in building awareness and understanding of our ageing population. We took the conversation beyond a small sphere of policy makers, academics and experts and out to the public, engaging people of all ages and ethnicities across New Zealand.

The work was part of the three-yearly Review of Retirement Income Policies and can be found at our online portal on cffc.org.nz. Recognising that retirement income is an ecosystem with many interdependencies, we broke the Review into seven themes spread across seven months. The conversation is often dominated by the age of eligibility question, meaning that other critical points like the ageing workforce and decumulation don't get discussed in depth. The approach ensured we could focus month-by-month on key issues and allowed us to share the content plan with media at the beginning of the year. The Review generated 2,038 media stories, which in turn generated public engagement, with 11,200 surveys completed and over 300 face-to-face interviews. Critically the final recommendations to government in December 2016 were informed not just by the data but by an understanding of the lives beneath the data.

The intention is for the Review portal to be dynamic, not static, and the work on retirement income policy will be a constant, not a 'once every three years' conversation. To that end we will be looking at how to evolve and repurpose the content in 2018.

While the retirement income policy review is important, the core focus of the organisation remains the work we do building the financial capability of New Zealanders across a lifetime. That work recognises that for most people, getting to retirement in good shape is 'little and long'; it is the result of many decisions across a lifetime.

Our children and grandchildren will face headwinds along the way, with declining home ownership, the rise of the 'gig economy' and the impact of technology on the workforce. I believe future generations will adapt and evolve to meet those challenges but the changes will need to be intentional and proactive, or there will be too much pain along the way.

We live longer, stay healthy and active for longer, work for longer and then we have more years in our 'old age'. We live with diseases we used to die from, and our expectations of the health sector around prolonging longevity are high.

We also know that while our lives are getting longer our attention span is getting shorter. The 3 minute clip has become the 7 second vine, and then the single shot meme. The challenge for us is to communicate complex information to young people who believe they will never get old. In addition, the availability of credit and normalisation of debt means more of us borrow to buy a lifestyle. 'Buy now, pay later' is a more enticing message to a 25-year-old than 'You may live another 70 years', particularly when it can be countered by 'But I might die tomorrow'. The truth, which is that statistically you are far more likely to make it through tomorrow than not, doesn't get the heart racing quite like half price consumer goods.

Our work brings together all of these challenges: the emphasis on today, the excitement of living in the moment, an acknowledgment that life can be fleeting – combined with the simple reality that we are living longer and will need enough money to make our retirement years good. Our message is that in some respects it doesn't take much if you start young and understand that lots of little pieces over time add up to a lot. It is always worth putting a little aside, no matter how small. The result is that you get to enjoy today and tomorrow. Time is the secret ingredient.

It's fitting then to finish by saying the successful budget bid for Sorted in Schools will see us working hard to build the financial capability of our young people at the beginning of their spending and earning lives. The current adhoc approach by the private and public sector that sees external parties in the classroom teaching financial capability will not deliver the results we need for the next generation. Our goal is to get financial capability into the classroom, being taught by the teacher as part of the curriculum.

This is too important for us to get it wrong or miss this opportunity. It is a precious moment in time and needs to be seen as such.



Diane Maxwell
Retirement Commissioner
31 October 2017

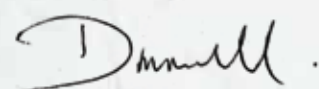


STATEMENT OF RESPONSIBILITY


We acknowledge responsibility for:

- The preparation of the Retirement Commissioner's (operating as the Commission for Financial Capability (CFFC)) Financial Statements and Statement of Performance, and the judgements made within them;
- Any end-of-year performance information provided by CFFC under section 19A of the Public Finance Act 1989; and
- Establishing and maintaining a system of internal control that is designed to provide reasonable assurance as to the integrity and reliability of CFFC's financial and non-financial reporting.

In our opinion, these Financial Statements and Statement of Performance fairly reflect the financial reporting position and operations of CFFC for the year ended 30 June 2017.



Diane Maxwell
Retirement Commissioner
31 October 2017



Laura Fair
National Manager Government Relations
31 October 2017

KEY HIGHLIGHTS 2016/2017





ABOUT THE COMMISSION FOR FINANCIAL CAPABILITY

OUR ROLE

CFFC leads the government response to help people to get ahead financially. We work to ensure the retirees of today and tomorrow are equipped with the financial knowledge, skills and confidence to make responsible financial decisions at every stage of their lives and reach retirement in good financial health.

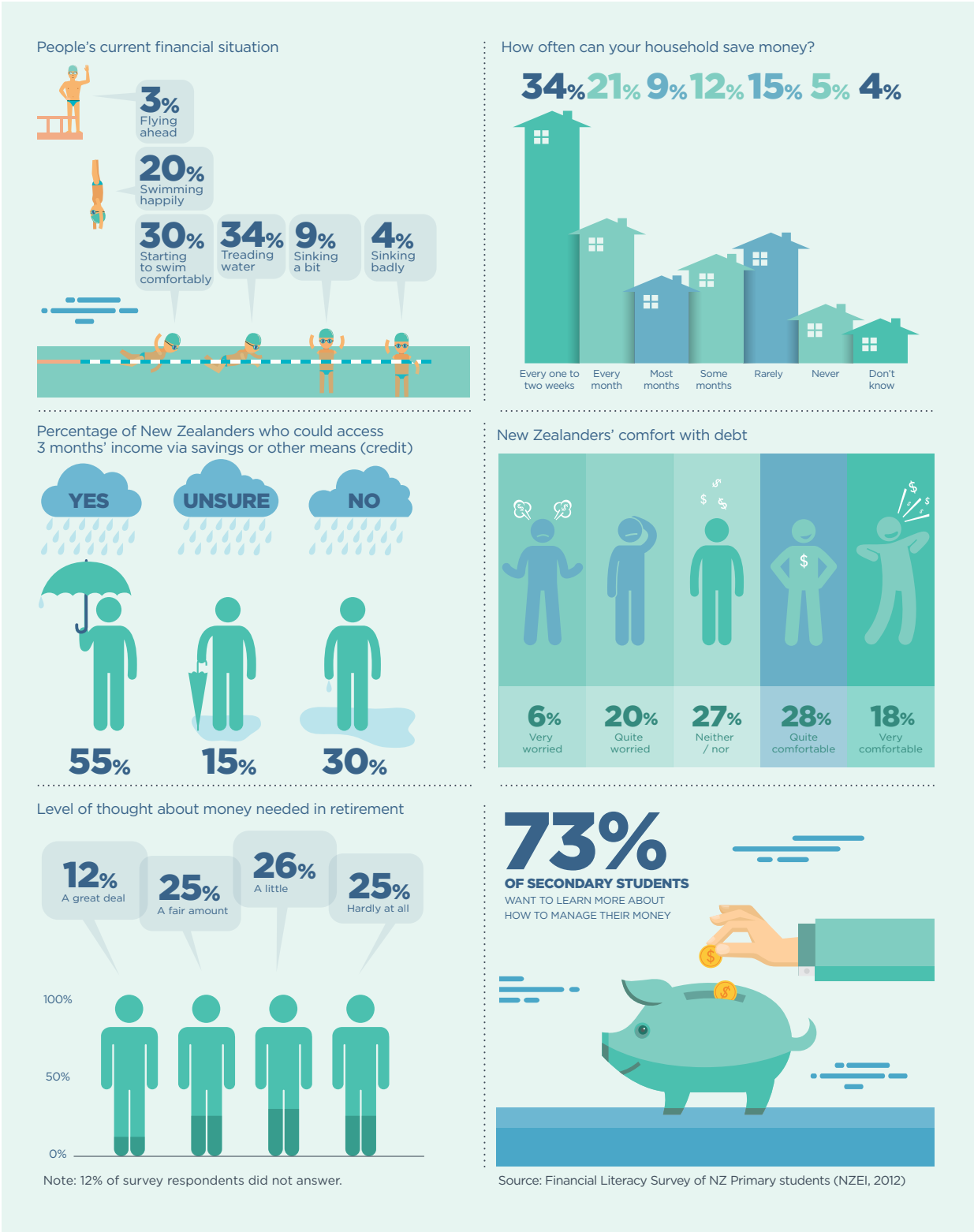
Greater financial resilience and capability means New Zealanders are better able to manage debt, accumulate savings, realise home ownership aspirations and weather shocks, and in doing so reduce the government's long-term liabilities associated with an ageing population.

CFFC is the office of the Retirement Commissioner, an Autonomous Crown Entity under the Crown Entities Act 2004 that operates under the New Zealand Superannuation and Retirement Income Act. The current Retirement Commissioner, Diane Maxwell, was appointed on 1 July 2013 for an initial term of three years, and then reappointed for a further term of three years on 1 July 2016.

CFFC has three core responsibilities:

- Financial capability - we help all New Zealanders prepare financially for their retirement through programmes and initiatives designed to improve financial capability and drive sustainable and enduring behaviour change.
- Retirement income - we raise awareness and understanding of retirement income policy issues and provide robust policy advice.
- Retirement villages - we monitor the provisions of the Retirement Villages Act (2003) and administer its dispute provisions, and provide information and education to the sector.

OUR OPERATING CONTEXT



OUR AMBITION FOR FINANCIAL CAPABILITY

Vision: Everyone getting ahead financially
Mission: Driving sustainable behaviour change

Future-focused

New Zealand is undergoing unprecedented demographic change, as we live longer and fertility rates decline. At the same time, technological advances mean the financial landscape is constantly changing. Access to credit is becoming quicker and easier in many cases, and social norms around money and debt play a role in how much we buy and consume. We need to keep up with these changes and meet people where they spend the most time – sometimes that means face-to-face, but often online.

Driving behaviour change around money habits is a complex task. The demands of today drown out thoughts of tomorrow, and we need to cut through the noise of our busy lives to inform, inspire and encourage New Zealanders to focus on their financial wellbeing.

At CFFC, we create a culture of innovation and thought leadership, favouring a bold and brave approach that is ready to challenge the status quo. We are nimble and flexible, able to adapt our work in response to new research insights, so that we can meet the changing needs of the retirees of today and tomorrow.



WHAT WE DO

We are an organisation that drives sustainable behaviour change by helping people to better understand money. We want to build wealth and well-being by bringing about an underlying shift in the way people think about and manage money, which improves both short-term and long-term behaviour.

The 3 functions represent the core of CFFC’s work in financial capability

1. LEADERSHIP	2. RESOURCES AND EDUCATION	3. MONITORING AND EVALUATION
<ul style="list-style-type: none"> Use our leadership role to help set, align and advocate national priorities to advance the financial capability of New Zealanders to build a wealthier future Provide robust policy advice on retirement income issues 	<ul style="list-style-type: none"> Financial capability information is accessible and useable through the provision of education materials, tools and training to deliver tailored, high-quality financial capability information and education 	<ul style="list-style-type: none"> Monitor and evaluate policy and programme implementation and the financial capability of New Zealanders Monitor the effects of the Retirement Villages Act (2003) and administer the disputes process

Our partners

We work across a range of community, government, private and NGO stakeholders to strengthen joint efforts towards raising financial capability across New Zealand.

CFFC leads the National Strategy for Financial Capability, which sets a shared direction for financial capability. It provides a practical framework for how stakeholders can work together to achieve the greatest impact by strategic alignment and effective coordination across government.

International context

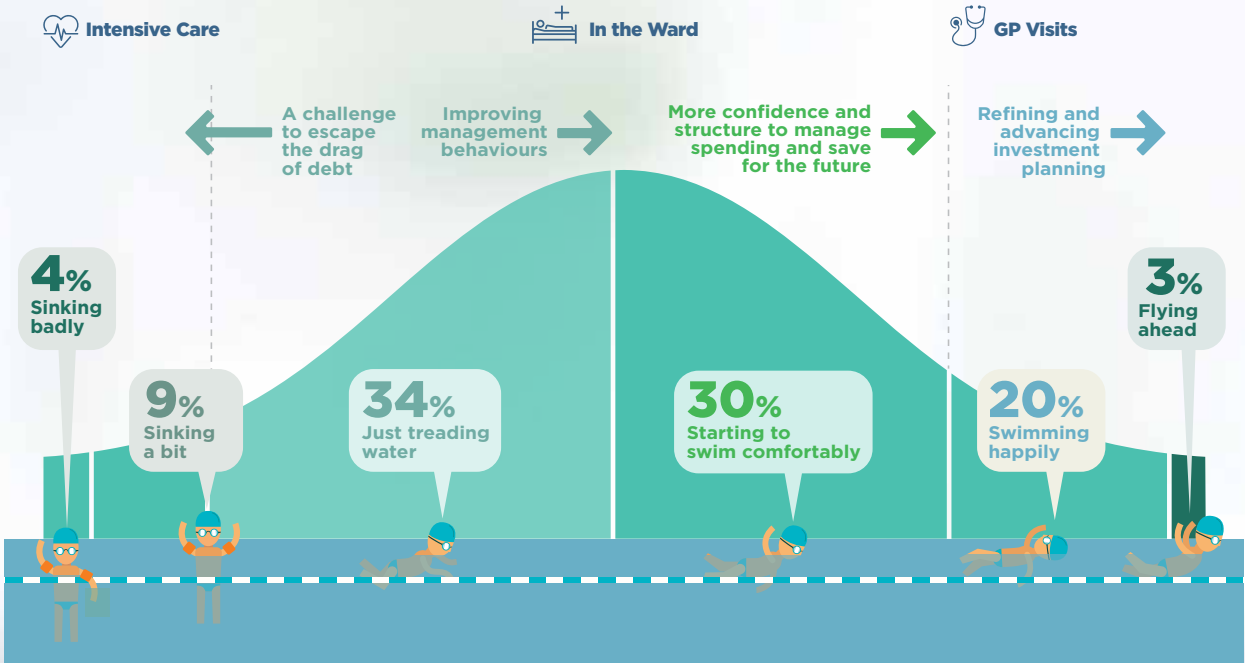
New Zealand is recognised by the Organisation for Economic Co-operation and Development (OECD) as one of the leading countries in relation to financial capability education. We also benefit immensely from our international connections, and the ties that we have built are crucial for keeping us at the forefront of global thinking, learning and innovation. CFFC actively participates in the work of the OECD International Network for Financial Education, and in the development of policy and measurement tools for financial capability. In 2016, we hosted the New Zealand OECD Global Symposium on Financial Education for the first time, with discussions focusing on innovative policies and strategies around financial education and consumer protection.

OUR STRATEGIC FRAMEWORK

CFFC uses a health framework to segment the 3.6 million adults in New Zealand, and a triage approach to determine who needs what and how best to deploy our finite resources. Our Financial Capability Barometer is a nationwide survey which gives us insights into the 13% of New Zealanders in Financial ‘Intensive Care’, the 64% ‘In the Ward’ and the 23% who we call ‘GP Visits’.

SEGMENTATION – TODAY

New Zealanders’ financial capability



SENIOR LEADERSHIP TEAM

A team that's both on the ground and reaches wider New Zealand

Our leadership team is lean, agile, innovative and able to respond rapidly to change, but with a long-term strategic view that is firmly focused on improving everyone's financial wellbeing. We have built a reputation for leading the national conversation around financial capability and supporting behaviour change to help New Zealanders prepare for the future.

Commission for Financial Capability Leadership Team Organisational Chart



BEING A GREAT EMPLOYER

CFFC continues to be committed to good employment practices by ensuring our behaviours speak to providing equal opportunities, encouraging workplace diversity, great team culture, and developing our existing employee talent. All these factors underpin the success of our organisation.

From good to great.....this year CFFC focused on:

- Internal transformation by streamlining our leadership workstreams and engaging talented specialists to deliver excellence in their field of expertise
- Making exceptional recruitment decisions, employing the best to partner with our existing talent pool.
- Maintaining a strong employee connection to the organisation through team offsite days, encouraging debate and discussion on our workstream strategies and internal culture.
- Streamlining internal processes, continually looking for efficiency gains; working smarter not harder.
- Peer-to-peer acknowledgement of achievement in our weekly team meetings, embedding a culture of positivity and pride.
- Keeping our safety culture alive with new employees trained as workplace first aiders.
- Celebrating our successes as a team; CFFC was delighted to win twice at the IPANZ Public Sector Excellence Awards: we won the Public Sector Engagement category for our Review of Retirement Income Policies and the Digital Government category for our relaunch of sorted.org.nz.
- Embracing change as the pathway to organisational evolution.

Who are we?

- We are tenacious change agents that challenge the status quo.
- We lead and drive an underlying and enduring shift in the way people think about and manage money to build national, collective and individual wellbeing.
- We are bold and brave, real, unreasonable, curious, intelligent, empathetic.

Our brand is who we are.

MEASURING OUR PERFORMANCE



STATEMENT OF PERFORMANCE

Funding from the Crown for the 2016–17 year was received as a single appropriation and was budgeted to be \$5,782,000.

This appropriation is limited to services from the Retirement Commissioner to develop and promote methods of improving the effectiveness of retirement income policies, the publishing of information and the delivery of a comprehensive public financial education programme. The appropriation is intended to improve the financial wellbeing of all New Zealanders by increasing the number of New Zealanders who are financially capable throughout their lives and are financially equipped for retirement. This appropriation is also intended to monitor the effects of the Retirement Villages Act 2003 and promote awareness of rights and responsibilities of all participants in the retirement villages sector. There are no unfulfilled conditions or contingencies attached to Crown funding.

Assessment of Performance	Budget Standard 2016/17	Actual Standard 2016/17
Increased levels of financial capability and sustainable behaviour change ¹	Achieved	Achieved
Increased participation in public discussions on retirement savings and planning, and the issues surrounding New Zealand’s retirement income policies ²	Achieved	Achieved
Ministerial satisfaction with the Retirement Commissioner’s delivery of its functions under the Retirement Villages Act 2003 ³	Satisfied or very satisfied	Not Measured ⁴

Actual funding received from the Crown was \$6,795,744. In addition to Crown funding, CFFC also received a further \$369,636 in interest and other sources. The allocation of this funding and expenditure across the output classes is shown below.

Allocation of Revenue/Expenditure	Actual 2016/17	Budget 2016/17
Revenue		
Revenue from Crown Appropriation ⁵	\$6,682,000	\$5,782,000
Other Crown Revenue	\$113,744	-
Other Revenue	\$365,088	\$120,000
Interest Revenue	\$4,548	\$20,194
Total Revenue	\$7,165,380	\$5,922,194
Expenditure		
Financial capability	\$5,625,195	\$4,820,557
Retirement income	\$1,316,781	\$1,283,411
Retirement villages	\$368,611	\$429,571
Total Expenditure	\$7,310,587	(\$6,533,539)
Surplus/(Deficit)	(\$145,207)	(\$611,345)

Expenditure includes both direct and indirect expenditure. The allocation of indirect expenditure to outputs is based on the breakdown of staff and the estimate of time spent on each output.

CFFC is subject to the following Conditions of Use of Appropriation:

Reference	Conditions of Use
New Zealand Superannuation and Retirement Income Act 2001	Part 4 of the New Zealand Superannuation and Retirement Income Act 2001 provides the constitution, appointment, functions, powers and duties of the Commissioner
Retirement Villages Act 2003	Part 3 provides for the monitoring and other functions of the Retirement Commissioner. Part 4 provides for the Commissioner to approve members eligible for appointment to a disputes panel. Part 5 provides for the Commissioner to make recommendations to the Minister on any draft Code of Practice or variation, and to publish information and receive submissions on any Codes of Practice or variation.
Crown Entities Act 2004	The Crown Entities Act 2004: <ul style="list-style-type: none">• provides for different categories of Crown entities and for each category to have its own framework for governance (including the degree to which the Crown entity is required to give effect to, or be independent of, government policy)• clarifies the powers and duties of board members in respect of the governance and operation of Crown entities, including their duty to ensure the financial responsibility of the Crown entity• sets out reporting and accountability requirements.

In accordance with section 19c of the Public Finance Act 1989, CFFC provides performance reporting under the following output classes: Financial capability, Retirement income, Retirement villages.

¹Sorted Website – unique users (2016/17: 1,804,228) (2015/16:1,041,390) (2014/15: 971,038). Community & Workplace Programmes – (2016/17: 2096 participants completed 175 sorted programmes) (2015/16: 742 participants successfully completed 58 Sorted programmes) (2014/15: 30 participants successfully completed 3 Sorted programmes). Sorted Schools – (2016/17: 5,575 students and parents, 63 principals and boards of trustees). Money Week – (2016/17: 34,444 New Zealanders interact with tools promoted during Money Week and in the period one week after).

²11600 contributions from the public and experts vs 196 submissions for the 2013 review. Refer to Retirement Income Statement of Performance measures: Triennial review of effects and effectiveness of retirement income policies on page 32 of the Annual Report.

³Refer to Retirement Villages Statement of Performance measures on pages 36 - 40 of the Annual Report.

⁴As a result of the change in Government, we were unable to confirm whether the Minister was satisfied with the Commissioner’s delivery of its functions under the Retirement Villages Act 2003. However, as reported in the previous year, the Minister has confirmed their satisfaction for 2015/16. Further, refer to Retirement Villages Statement of Performance measures on pages 36 - 40 of the Annual Report.

⁵The appropriation revenue received by CFFC equals the Government’s actual expenses incurred in relation to the appropriation, which is a required disclosure from the Public Finance Act.

FINANCIAL CAPABILITY

In the Financial Capability output class our focus is on:

Driving behaviour change

CFFC focuses on driving sustainable and enduring behaviour change, helping everyone (but with a focus on the financially vulnerable) becoming financially capable.

Raising awareness of the value of financial capability

Financial capability is an essential life skill. Improving New Zealanders' ability to manage their money across a lifetime gives individuals greater financial certainty and freedom. It helps to reduce hardship among families and creates resilient communities and a more prosperous and productive economy.

Extending reach

CFFC operates as a strategic centre, test hub and thought leader. We build and evaluate programmes tailored for different sectors, and we engage with stakeholders across New Zealand to execute nationally. We also reach a broad base of New Zealanders through multiple platforms such as cffc.org.nz, sorted.org.nz, Money Week, media partnerships and public seminars.

Improving financial capability learning experiences

Our children and our grandchildren will face new challenges in their retirement as the population ages and the world around them changes. CFCC's work seeks to equip people from an early age with the skills and confidence to navigate through a lifetime of financial choices, ask the right questions and be on the winning side of their decisions, so that they reach retirement in good financial shape.

Measures

The following chart shows our financial capability focus areas and the outcomes we measure.



National Strategy for Financial Capability

Deliverable: Lead the National Strategy for Financial Capability and action plan

CFFC continued to lead the delivery of the National Strategy for Financial Capability, which sets a shared direction for financial capability. It provides a practical framework for how stakeholders can work together to achieve the greatest impact by strategic alignment and effective coordination across government.

A total of 130 organisations supported or contributed to the National Strategy.

Our annual National Strategy snapshot survey helped us map who is delivering financial capability initiatives across New Zealand and the types of initiatives being delivered. This is the second survey we have carried out, and the numbers have grown since last year, with a total of 241 financial capability initiatives being delivered and 89,100 people taking part.

Performance Indicator	Target	Results 2016/17	Results 2015/16
Lead quarterly meetings of the Cross-Government Group for Financial Capability and lead at least four meetings of the Auckland and Wellington Financial Literacy Practitioners and Providers networks	Achieved	Achieved 13 meetings were delivered	New Measure
Number of result-oriented initiatives identified and delivered across the government sector	3	Exceeded 6 initiatives were identified and delivered across the sector	New Measure
Number of organisations from across the financial capability system that support and/or align their initiatives to the National Strategy	120	Exceeded 130 organisations supported or contributed to the National Strategy	94

Sorted in Communities and Workplaces

Deliverable: Develop, support and quality assure the delivery of Sorted financial capability programmes

CFFC worked with a range of iwi, family, whānau and communities to ensure quality development and delivery of financial capability initiatives. Financial education and information initiatives are delivered in a variety of ways, with the goal of driving sustainable and enduring behaviour change, helping everyone (but with a focus on the financially vulnerable) becoming financially capable. CFFC has tailored resources and programmes that are delivered through pilots to connect to the government eco-system and at a grassroots level.

We also worked with a range of businesses and other organisations to build financial capability in workplaces. Examples include national partnerships with New Zealand Police Families Credit Union, the New Zealand Defence Force, The Warehouse Group and a national community partnership with The Adventist Development and Relief Agency (ADRA).



Performance Indicator	Target	Results 2016/17	Results 2015/16
Delivery of intensive Sorted programmes	175 programmes 3,500 participants	Partially achieved 175 programmes were delivered to 2,096 participants. The total programme target was achieved through successful scale up of delivery via our partners. Cohort sizes were determined by the operational limitations of each organisation and as a result, participant numbers were lower than expected.	New Measure
Fighting Fit workshops delivered as 'triage' programme	40 workshops 3,000 participants	Partially achieved 66 workshops were delivered to 2014 participants. Participant numbers were lower than forecast due to the target being modelled on attendance figures from earlier workshops. As the workshops were scaled, it became clear that attendance varied greatly depending on the size of the organisation.	New Measure
Downloaded one-off Sorted seminars.	300 seminars 4,500 participants	Not achieved 200 seminars were delivered to 1,113 participants. Reported numbers of seminars and participants were lower due to some facilitators incorporating Sorted content in their delivery and reporting of Ministry of Social Development funded Money Mates programmes. The Trust that oversees the Money Mates providers, estimates a 30% cross-over of our respective facilitator networks.	New Measure
Number of initiatives delivered to improve Māori and Pasifika financial capability	8	Exceeded 10 initiatives were delivered	New Measure

Key Projects

Performance Indicator	Target	Results 2016/17	Results 2015/16
Launch the Debt Empire learning game (mobile app) with at least 5,000 players	5,000	Achieved 5,576 players. This was achieved through the use of social media and app campaigns that targeted young people, tech early adopters and the parents of young children.	New measure
Create 3 specialist needs-based Sorted programmes (Women, Investor Education and Home Ownership)	3	Achieved 3 specialist needs programmes were delivered	New measure

FEATURE:

SORTED SMOKEFREE 2025



In 2017 CFFC launched Sorted Smokefree 2025, an exciting new hybrid programme bringing together wealth and health messages to support people to become financially capable, and smoke free.

The aim of the programme was to reflect on how money spent on smoking might be used towards people's long-term financial outcomes, such as buying a house or getting out of debt faster.

CFFC provided a facilitator to deliver the financial capability element of the programme who worked in partnership with local STOP SMOKING services and the national service Quitline to provide support to participants.

Key results from the initial rollout of Sorted Smokefree 2025:

- Eight community facilitators were trained by CFFC to deliver the programme.
- 27 six-week Sorted Smokefree 2,025 programmes were delivered in April-June 2017.
- 240 participated, including 219 who identified as smokers and 21 support people.
- 216 participants were identified as Māori (90%), 17 Pasifika (17%) and 7 NZ European (3%).
- Of 219 smokers, 72 (33%) reported they had stopped smoking from the fourth week.
- Average savings for those who stopped from week four (last three weeks) was \$525 per person.
- Two participants saved over \$1,000 in six weeks, which funded a family trip to the Cook Islands.
- All noted that Māori facilitators made open conversations easier and safer to have.

The learning from this programme provides insights for further discussions with the health sector about how best to work together to achieve the 2025 objective.

“I didn’t realise the true cost of smoking until I saw how much I saved in my bank account.”

Comment from participant.

Sorted in Schools

Deliverable: Increase demand for financial education to be included in student programmes

Performance Indicator	Target	Results 2016/17	Results 2015/16
Partnerships and programmes to actively engage and influence students, boards of trustees, principals and parents	5,000 students/parents and 50 principals/boards of trustees	Exceeded 5,575 students/parents and 63 principals/boards of trustees	New measure
Sorted ‘teachers as employees’ programmes delivered to promote the value of financial capability as a curriculum outcome and increase teachers’ personal financial capability	10 programmes to 200 teachers	Exceeded 13 programmes to 352 teachers	New measure



Key Projects

Performance Indicator	Results 2016/17	Results 2015/16
Incorporate insights and teaching resources from Auckland Sorted Schools clusters to develop resources for publication on a new online Sorted Schools portal	Achieved	New measure

Sorted Online

Deliverable: Build greater Sorted engagement among New Zealanders

Our award-winning Sorted website (sorted.org.nz) continued to be a trusted resource with information, calculators, and tools, including the KiwiSaver Fund Finder. More than 1.84 million traffic sessions have occurred on sorted.org.nz over the past year, exceeding our target.

The relaunch of sorted.org.nz won the Digital Government category at the IPANZ Public Sector Excellence Awards.

Performance Indicator	Target	Results 2016/17	Results 2015/16
sorted.org.nz traffic sessions	1.8m traffic sessions across 1m unique users	Exceeded 1,845,655 traffic sessions across 1,093,024 unique users	1.7m traffic sessions across 1m unique users
Growth in number of active Sorted users (registered and used their account in the past six months) p/a	10%	Exceeded 17% growth in the number of active Sorted users	New measure
Active Sorted users (registered and used their account in the past six months) that have more than three saved tools in their personal dashboard	25%	Achieved 25% reported active Sorted users	New measure

Key Projects

Performance Indicator	Results 2016/17	Results 2015/16
Complete the development and delivery of Sorted v3.1 focusing on the integration of personalised tools and increased visualisation	Achieved	New measure
Develop the Sorted budgeting tool to include manual spend tracking, and investigate the viability of integrating data feeds from the main trading banks	Achieved	New measure

Money Week

Deliverable: Provide leadership and support to Money Week partners

CFFC runs an annual event called Money Week with seminars, events, competitions, and quizzes held nationwide by schools, businesses, government agencies, and community groups.

‘Show Me The Money’ Week ran from 5-11 September 2016, with a focus on highlighting the cost of living more than 30 years in retirement (see Feature section for further details).

Performance Indicator	Target	Results 2016/17	Results 2015/16
Cumulative reach to New Zealanders of social media channels	2.5m	Achieved 2.54m total cumulative reach	New measure
New Zealanders that interact with tools promoted during Money Week and in the period one week after	21,000	Exceeded 34,418 reach	New measure
Number of organisations that take part in Money Week and reached New Zealanders	150 reaching 50,000 New Zealanders	Exceeded 200 organisations reached 55,611 New Zealanders	New measure
Media value generated through Money Week	\$500,000	Exceeded \$606,000	\$319,000



FEATURE:

MONEY WEEK – ‘SHOW ME THE MONEY’ WEEK

5–11 SEPTEMBER 2016

- ‘Show Me The Money’ Week ran from 5-11 September 2016 with a focus on highlighting the cost of living more than 30 years in retirement.
- It started with an activation at Britomart, in Auckland’s CBD, and continued the messaging through the week both online and offline.
- More than 200 businesses, organisations, schools and community groups rallied in the drive to build financial capability and help New Zealanders plan to get ahead, by hosting events, activities and workshops for 55,000 people.
- A new Sorted goal planner tool was launched and notched up 8,900 users during the week.



\$
\$606K
ASR for earned/unpaid
media coverage (ASR –
Advertising Space Rate)

850+
Registered Money Week
activities and events

**Over
200
stakeholders**
Supported Money Week by
hosting events and activities
reaching 55,000 people

445
Mainstream media
mentions

2.5m
People reached
on social media channels

“I like the way it translated a big, scary thing like retirement and bought it home in a simple, easy and accessible way.”

Comment from participant.

Audience reach

Deliverable: CFFC’s owned communication channels support engagement with New Zealanders

Our online channels offer a cost-effective, fast and increasingly mass-reach option for engaging with New Zealanders. Reflecting changing trends, CFFC has shifted emphasis from traditional advertising to creating editorial video content such as the ‘Commission Confessionals’ and ‘Tales from the Tent’, presenting real people and real stories and promoting these via social media.

Performance Indicator	Target	Results 2016/17	Results 2015/16
www.cffc.org.nz traffic sessions	65,000	Exceeded 91,394 traffic sessions	New measure
CFFC Facebook engagements	6,000	Exceeded 34,294 CFFC Facebook engagements	New measure
Sorted Facebook engagements	75,000	Exceeded 197,763 Facebook engagements	New measure
CFFC YouTube views	10,000	Exceeded 183,196 views	New measure



RETIREMENT INCOME

In the Retirement Income output class our focus is on:

Raising awareness of retirement income policy issues

CFFC continues to drive awareness and discussion of the issues, providing robust policy advice to meet complex demographic challenges.

Monitoring and reporting on the effects and effectiveness of retirement income policies

CFFC's focus is on retirees of today – and of the future – operating as a research hub that offers thought leadership. We also understand and reflect the views and perceptions of the broader population.

Encouraging New Zealanders to actively plan for their retirement

Planning for retirement requires people to think long-term and defer (some) spend today in favour of tomorrow. There are many social influences and trends that make that a challenging task. Yet ultimately, good retirement planning and smart decisions throughout life will mean New Zealanders are more likely to reach retirement in good financial shape.

Measures

The following chart shows our retirement income focus areas and the outcomes we measure.



Deliverable: Triennial review of effects and effectiveness of retirement income policies

In December 2016, CFFC released its findings from its three-yearly Review of Retirement Income Policies, with a range of recommendations around KiwiSaver, NZ Super, vulnerable groups and more.

The work was delivered via an online portal featuring a video series called ‘Toys Talk Retirement’ with seven short animated films which served as the entry point to a wider platform containing 226 pieces of content. Our innovative approach to releasing the findings attracted widespread media engagement and was also recognised with an award for public sector engagement at the IPANZ Public Sector Excellence Awards.

In June 2017, the Government released its response to the Retirement Commissioner. Findings from the Review will continue to be built into CFFC’s future work programme, which has underlined the importance of raising the level of New Zealanders’ financial capability over a lifetime. We will continue to work on further developing key recommendations and look forward to continuing the policy conversation. We will also commence planning for the next Review due in 2019.

Performance Indicator	Target	Results 2016/17	Results 2015/16
Sessions on the Review web pages and contributions/submissions on the review	5,000	Exceeded 50,213 sessions and contributions/submissions on the Review	Review takes place once every three years
Participants in Review surveys	5,000	Exceeded 11,249 surveys completed (Review period Feb - Dec 2016) ⁶	Review takes place once every three years
Execute the planned review agenda of 7 themes across seven months, which includes 6 sector roundtables/forums	Achieved	Achieved	Review takes place once every three years
Familiarity with retirement income issues increased by 20% from the 2014 survey on Public Views on Retirement Income Policy	20%	Achieved 20%	Review takes place once every three years


⁶CFFC uses SurveyMonkey, a popular cloud based survey tool, to capture participants’ views on a range of topics. The survey responses reported in this annual report reflect four surveys conducted in the reporting period, on a range of different topics related to the Review of Retirement Income Policies. As with any survey, results can be influenced by how questions are asked, how the survey is set up, and by when and to whom the survey link is sent. Limitations of the survey have been identified as a) participants can complete a survey more than once and b) results may not reflect all the completed surveys. Note: there were 8179 participants in review surveys Jul - Dec 2016.

FEATURE:

2016 REVIEW OF RETIREMENT INCOME POLICIES


Highlights:

- The Review was viewed more times in the first few hours after public release than in the entire three years following the 2013 Review.
- 12,144 contributions from the public and experts vs 196 submissions for the 2013 Review




210,000

Views of the video findings from the Review of Retirement Income Policies (Review period Feb-Dec 2016)




11,249

Online surveys completed with 11,600 comments (Review period Feb-Dec 2016)




40,334

Unique visitors to our Review web pages and 119,725 pages viewed (Review period Feb-Dec 2016)




PANEL FOR PENSION REFORM

Held as part of the New Zealand OECD Global Symposium



2,098

Mainstream media mentions reaching 11.4m people (Review period Feb-Dec 2016)



Winner Public Sector Engagement at IPANZ Public Sector Excellence Awards

“I am truly amazed by this government project. Helping everyone build wealthy lives. I hope the younger generation will get engaged with this project.”

Comment on Facebook Review post.



Deliverable: Communication with the public about financial capability and retirement income issues.

Performance Indicator	Target	Results 2016/17	Results 2015/16
ASR (rate card) value of unpaid media coverage of CFFC and Sorted	\$6.0m	Exceeded \$18.27m	New measure
Content items per month of stories, videos, blogs and podcasts that cover financial capability and retirement income issues	10	Exceeded 13 content items per month	New measure
Collaborate with MSD on SuperSeniors website and provide MSD with a regular column for every SuperSeniors newsletter	Achieved	Achieved We established a good working relationship with the SuperSeniors team and shared information and resources relevant to their audience aged 50+. This included 6 columns in the SuperSeniors newsletters.	Achieved
Bi-monthly programme deployed around the country, videoing New Zealanders' thoughts on retirement (6 locations p/a)	Achieved	Partially met. We deployed our 'Tales from the Tent' at five locations. We limited ourselves to one deployment in Quarter 4 due to 3 events planned in quick succession for July 2017.	New measure

Key Projects

Performance Indicator	Results 2016/17	Results 2015/16
A new section for New Zealanders 65+ is developed for Sorted to help with decumulation and information on options available	Achieved	New measure
Ongoing participation in the FAA Review	Achieved	New measure

Investor Education

Deliverable: Increased participation in public discussions on retirement savings and planning

With more than 2.7 million New Zealanders in KiwiSaver, we focus on helping them to see themselves as investors, not savers, and give them resources to make better-informed decisions that could have a significant effect on their future financial wellbeing.

CFFC developed a wide range of investor education materials, including the growth of the website invested.co.nz. We continued to build a strong and extensive national media presence, ran campaigns on social media, and organised investor education seminars around the country, covering areas including KiwiSaver, financial scams and income in retirement.

Performance Indicator	Target	Results 2016/17	Results 2015/16
New "Invested" videos based on under-standing more in-depth aspects of investments	6	Exceeded 8 videos were completed	New measure
Number of KiwiSaver roadshows in main centres and regions	6	Achieved 6 roadshows were completed	New measure
Partner with government and community to deliver at least two forums focused on the needs of those aged 65+	2	Achieved 2 'Ageing Well' forums were delivered in Paraparaumu and Ashburton with over 200 attendees.	New measure
Partner with FMA on a key piece of retirement research and joint media strategy to maximise media coverage	Achieved	Achieved	New measure
Collaborate with Fairfax and NZME to run two campaigns each, providing education and increasing public discussion about financial capability and retirement income	Achieved	Achieved 4 campaigns were completed	New measure

Key Projects

Performance Indicator	Results 2016/17	Results 2015/16
Integrate KiwiSaver fund finder into sorted.org.nz	Achieved	New measure
Development of a recommendations paper in association with MBIE for an Investor Portal that will assist New Zealand investors to understand and compare licensed investment options	Achieved	New measure
Lead and drive the public-private financial capability consortium 'The Exchange' towards a clear strategic goal	Achieved	New measure
A new investment module and templates on how to start a financial plan are developed and incorporated into the Sorted programmes	Achieved	Achieved

RETIREMENT VILLAGES

Our work in this class fulfills the Retirement Commissioner's functions as specified in the retirement villages legislation:

Administering the Retirement Villages Act disputes process

The first function is to administer the disputes process, which includes checking and holding documentation, providing an approved group of panelists and providing information about the process to both residents and operators.

Monitoring the provisions of the Retirement Villages Act

The second function is to monitor the effects of the Retirement Villages Act, Codes and Regulations. Three monitoring reports on specific parts of the sector have been completed since 2009.

Informing intending and existing residents of their rights and responsibilities

We also provide information and education to the sector, using a mix of traditional and targeted activities (eg. public seminars to provide intending retirement village residents with factual information on the pros and cons of moving to a Retirement Village).

Measures

The following chart shows the Retirement Commissioner's functions and the outcomes measured.



Deliverable: Build on the education material and content on retirement villages

CFFC provides information and education to intending and existing residents of retirement villages regarding their rights and responsibilities.

Performance Indicator	Target	Results 2016/17	Results 2015/16
Seminars for prospective retirement village residents and seminars on retirement-village-related issues (*previously incorrectly reported as 10 seminars based on a calendar year)	15 seminars to 1,500 participants	Exceeded 25 seminars were delivered to 2,260 participants	19 seminars to 1,190 participants
95% of resident enquires receive a substantive response from CFFC within 20 working days of CFFC receiving all relevant information	Achieved	Achieved	New measure
Proposed and approved changes to the Retirement Villages Code of Practice are published and communicated to the public and industry via appropriate channels	Achieved	Achieved	New measure

Deliverable: Monitoring provisions of the Retirement Villages Act

Performance Indicator	Results 2016/17	Results 2015/16
Annual RV stakeholder forum held with representation of all key stakeholders.	Achieved	Achieved
The Commission reports on at least one thematic monitoring project per year.	Achieved. On 26 June 2017, the Commission published a report on the effectiveness of legal advice in the RV regime.	New measure
The Commission meets with the Minister for Building and Housing annually to discuss key retirement village issues (*change of minister meeting sought)	Achieved	Achieved

Deliverable: Administering the Retirement Villages Act disputes process

The Retirement Commissioner maintains and publishes a list of approved disputes panel members.

Performance Indicator	Target	Results 2016/17	Results 2015/16
Retirement Commissioner maintains and publishes a list of approved disputes panel members	Achieved	Achieved	Achieved
100% of disputes panel decisions are published on cffc.org.nz	100%	Achieved	New measure

Key Projects

CFFC redesigned and updated the online information and resources aimed at people living in, or thinking of moving into, a retirement village.

Changes to the Retirement Villages Code of Practice, which covers the disputes resolution process, were approved by the Minister for Building and Housing. CFFC published details and worked with the Ministry of Business Innovation and Employment (MBIE) to provide a downloadable version of the Code.

Performance Indicator	Results 2016/17	Results 2015/16
Proposed changes to the complaints facility provisions of the Retirement Villages Code of Practice are recommended to the Minister for Building and Housing by 30 September 2016	Achieved	New measure
Terms of Reference for a plain English review and simplification of the Retirement Villages Code of Practice are developed and agreed. Any proposed changes to the Retirement Villages Code of Practice are recommended to the Minister for Building and Housing by 31 December 2017.	Achieved The Terms of Reference were developed and agreed in May 2017	New measure
Development of a portal to consolidate key education material and content on retirement villages	Achieved	New measure





FEATURE:

ONLINE COMPLAINTS REPORTING FOR RETIREMENT VILLAGE OPERATORS

CFFC developed an online platform that requires all registered retirement operators to file details of formal complaints online. This is a new requirement under Retirement Villages Code of Practice variations that became effective 1 April 2017.

Operators will be required to report to CFFC every six months using a new online platform, and we have been working with operators to help prepare them for the change through targeted communications and workshops.

CFFC will publish summary reports on our website of the information gathered from the platform. The data will help us to better understand the types and amounts of complaints that are being received, along with other trends.



FINANCIAL STATEMENTS



Independent Auditor's Report

To the readers of the Retirement Commissioner's financial statements and performance information for the year ended 30 June 2017

The Auditor General is the auditor of the Retirement Commissioner (the Commissioner), operating as the Commission for Financial Capability. The Auditor General has appointed me, Athol Graham, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the performance information, including the performance information for an appropriation, of the Commissioner on his behalf.

Opinion

We have audited:

- the financial statements of the Commissioner on pages [48 to 70], that comprise the statement of financial position as at 30 June 2017, the statement of comprehensive revenue and expenses, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements including a summary of significant accounting policies and other explanatory information; and
- the performance information of the Commissioner on pages [14 to 37].

In our opinion:

- the financial statements of the Commissioner on pages [48 to 70]:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2017; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards with reduced disclosure requirements.
- the performance information on pages [14 to 37]:
 - presents fairly, in all material respects, the Commissioner's performance for the year ended 30 June 2017, including:
 - for each class of reportable outputs:
 - its standards of delivery performance achieved as compared with forecasts included in the statement of performance expectations for the financial year; and
 - its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year; and
 - what has been achieved with the appropriation; and
 - the actual expenses or capital expenditure incurred compared with the appropriated or forecast expenses or capital expenditure.
 - complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 31 October 2017. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Commissioner and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report. We have fulfilled our responsibilities in accordance with the Auditor General's Auditing Standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of the Commissioner for the financial statements and the performance information

The Commissioner is responsible for preparing financial statements and performance information that are fairly presented and comply with generally accepted accounting practice in New Zealand. The Commissioner is responsible for such internal control as she determines is necessary to enable her to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Commissioner is responsible for assessing the Commissioner's ability to continue as a going concern. The Commissioner is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the Commissioner, or there is no realistic alternative but to do so. The Commissioner's responsibilities arise from the Crown Entities Act 2004 and the Public Finance Act 1989.

Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, 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 carried out in accordance with the Auditor General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the Commissioner's statement of performance expectations.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information. As part of an audit in accordance with the Auditor General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commissioner's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Commissioner.
- We evaluate the appropriateness of the reported performance information within the Commissioner's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Commissioner and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commissioner's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Commissioner to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Commissioner regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. Our responsibilities arise from the Public Audit Act 2001.

Other information

The Commissioner is responsible for the other information. The other information comprises the information included on pages 2 to 13, and page 39, but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independence

We are independent of the Commissioner in accordance with the independence requirements of the Auditor General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

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

Athol Graham
Audit New Zealand
On behalf of the Auditor General
Auckland, New Zealand



BUILDING
WEALTHY LIVES



Statement of Comprehensive Revenue & Expenses

For the 12 months ended 30 June 2017

	Note	Actual 2016/17	Budget 2016/17	Actual 2015/16
Revenue				
Revenue from Crown Appropriation	4	\$6,682,000	\$5,782,000	\$5,782,000
Other Crown Revenue	5	\$113,744	-	\$138,270
Other Revenue	6	\$365,088	\$120,000	\$162,758
Interest Revenue	7	\$4,548	\$20,194	\$42,904
Total Revenue		\$7,165,380	\$5,922,194	\$6,125,932
Expenditure				
Auditor Remuneration		\$20,051	\$20,000	\$18,889
Personnel Costs	9	\$3,095,284	\$3,036,303	\$2,694,377
Depreciation	15	\$78,375	\$96,000	\$67,679
Amortisation	16	\$288,377	\$364,800	\$181,847
Loss on Disposal of Assets		-	-	\$26,464
Property Expenses		\$161,871	\$182,360	\$170,901
Leasing		\$26,147	\$36,000	\$24,855
Other Operating Costs		\$358,519	\$419,141	\$225,695
Advice and Research		\$202,998	\$179,500	\$299,451
Marketing & Communications		\$1,157,355	\$1,321,278	\$1,403,446
Retirement Villages	12	\$122,147	\$114,760	\$74,067
Review of Retirement Income Policies		\$281,551	\$112,175	\$116,683
Financial Education Resources and Campaigns		\$1,517,912	\$651,222	\$995,919
Total Expenditure		\$7,310,587	\$6,533,539	\$6,300,273
Comprehensive Revenue/(Expenditure)				
Surplus/(Deficit)		(\$145,207)	(\$611,345)	(\$174,341)
Total Comprehensive Revenue/(Expenditure)		(\$145,207)	(\$611,345)	(\$174,341)

Explanations of significant variances against budget are detailed in note 13. The Statement of Accounting Policies and the Notes to the Financial Statements form an integral part of these financial statements. Variances between the budget figures presented in the Financial Statements and the Forecast figures in 2016/17 statement of service expectations are due to different classifications.

Statement of Financial Position

As at 30 June 2017

	Note	Actual 2016/17	Budget 2016/17	Actual 2015/16
Assets				
Current Assets				
Cash and Cash Equivalents		\$918,614	\$326,494	\$545,120
Debtors and Other Receivables	19	\$56,800	-	\$125,360
GST Receivable		\$85,962	\$59,280	\$124,971
Total Current Assets		\$1,061,376	\$385,774	\$795,451
Non-Current Assets				
Property, Plant & Equipment	15	\$376,076	\$402,631	\$445,731
Intangible Assets	16	\$326,403	\$417,503	\$564,410
Total Non-Current Assets		\$702,479	\$820,134	\$1,010,141
Total Assets		\$1,763,855	\$1,205,908	\$1,805,592
Liabilities				
Current Liabilities				
Creditors and Other Payables	20	\$226,245	\$265,968	\$223,877
Lease Incentive Liability	18	\$31,764	\$31,765	\$41,293
Provisions		\$114,000	-	-
Employee Entitlements	10	\$135,297	\$105,980	\$112,000
Revenue Received in Advance	8	-	-	\$26,666
Total Current Liabilities		\$507,306	\$403,713	\$403,836
Net Assets		\$1,256,549	\$802,195	\$1,401,756
Public Equity				
Taxpayer Funds		\$200,000	\$200,000	\$200,000
Accumulated Surplus		\$1,056,549	\$602,195	\$1,201,756
Total Public Equity		\$1,256,549	\$802,195	\$1,401,756

Explanations of significant variances against budget are detailed in note 13. The Statement of Accounting Policies and the Notes to the Financial Statements form an integral part of these financial statements.



Statement of Changes in Equity

For the 12 months ended 30 June 2017

	Actual 2016/17	Budget 2016/17	Actual 2015/16
Public Equity at the Start of the Year	\$1,401,756	\$1,413,540	\$1,576,097
Total Comprehensive Revenue/(Expenditure)	(\$145,207)	(\$611,345)	(\$174,341)
Public Equity At The End Of The Year	\$1,256,549	\$802,195	\$1,401,756

Explanations of significant variances against budget are detailed in note 13. The Statement of Accounting Policies and the Notes to the Financial Statements form an integral part of these financial statements.

Statement of Cash Flows

For the 12 months ended 30 June 2017

	Note	Actual 2016/17	Budget 2016/17	Actual 2015/16
Cash Flows From Operating Activities				
Cash Was Provided From:				
Receipts from Crown Appropriation		\$6,682,000	\$5,782,000	\$5,782,000
Other Crown Receipts		\$128,149	-	\$264,330
Other Income		\$352,691	\$120,000	\$91,798
Interest Received		\$4,812	\$20,194	\$44,128
		\$7,167,652	\$5,922,194	\$6,182,256
Cash Was Applied To:				
Payments to Suppliers & Employees		(\$6,780,116)	(\$6,295,242)	(\$6,133,829)
Net GST (Paid) / Received		\$45,048	\$108,141	(\$16,580)
		(\$6,735,068)	(\$6,187,101)	(\$6,150,409)
Net Cash Flows From Operating Activities	23	\$432,584	(\$264,907)	\$31,847
Cash Flows From Investing Activities				
Cash Was Applied To:				
Purchase of Property, Plant & Equipment		(\$8,720)	(\$20,000)	(\$118,620)
Purchase of Intangible Assets		(\$50,370)	(\$205,000)	(\$602,847)
		(\$59,090)	(\$225,000)	(\$721,467)
Net Cash Flows From Investing Activities		(\$59,090)	(\$225,000)	(\$721,467)
Net Increase / (Decrease) In Cash Held		\$373,494	(\$489,907)	(\$689,620)
Plus Cash at the Start of the Year		\$545,120	\$816,401	\$1,234,740
Cash Held At The End Of The Year		\$918,614	\$326,494	(\$545,120)
Represented by:				
Cash & Cash Equivalents		\$918,614	\$326,494	\$545,120
Cash Held At The End Of The Year		\$918,614	\$326,494	\$545,120

The net GST component of operating activities reflects the net GST paid and received with Inland Revenue and has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes. Explanations of significant variances against budget are detailed in note 13. The Statement of Accounting Policies and the Notes to the Financial Statements form an integral part of these financial statements.



NOTES TO THE FINANCIAL STATEMENTS

Who is CFFC and what is the basis of Financial Statement preparation?

Reporting Entity

Note 1

The Retirement Commissioner was appointed under the New Zealand Superannuation and Retirement Income Act 2001 and the Crown Entities Act 2004 on 1 July 2013 for a term of three years. The Retirement Commissioner was reappointed for a further term of three years on 1 July 2016.

The Retirement Commissioner is an autonomous Crown Entity defined by the Crown Entities Act 2004, is domiciled in New Zealand and its ultimate parent is the New Zealand Crown. CFFC is the office of the Retirement Commissioner.

The principle activities of CFFC are to:

- Help all New Zealanders prepare financially for their retirement through improved financial capability and driving sustainable and enduring behaviour change;
- Raise awareness of retirement income policy issues, monitoring and reporting on the effects and effectiveness of retirement income policies; and
- Monitor the provisions of the Retirement Villages Act and administer the Retirement Villages Act disputes process.

The financial statements for CFFC are for the year ended 30 June 2017, and were approved by the Retirement Commissioner on 31 October 2017.

Basis of Preparation

Note 2

Statement of Compliance and Measurement Base

The financial statements for CFFC have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

The financial statements have been prepared on a historical-cost basis for a going concern in accordance with the Tier 2 Public Benefit Entities (PBE) Accounting Standards Reduced Disclosure Regime (PBEAS RDR).

CFFC qualifies for PBEAS RDR reporting as it is not publicly accountable and has expenses greater than \$2m but less than \$30m.

Presentational and Functional Currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar. The functional currency of CFFC is New Zealand dollars.

Basis of Preparation (continued)

Note 2

Use of Estimates and Judgements

In preparing these financial statements, CFFC has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Budget Figures

Budget figures are derived from CFFC's Statement of Performance Expectations for the financial year ending 30 June 2017. The budget figures were prepared in accordance with NZ GAAP, using forecast financial statements for the year ended 30 June 2017 and accounting policies that are consistent with those adopted by CFFC for the preparation of these financial statements.

Significant Accounting Policies

Note 3

Changes in Accounting Policies

These financial statements are CFFC's third set of financial statements presented in accordance with the new PBE Accounting Standards.

The significant accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks and other short-term, highly liquid investments with original maturities of three months or less.

Statement of Cash Flows

The Statement of Cash Flows is prepared exclusive of GST, which is consistent with the method used in the Statement of Comprehensive Revenue and Expenses.

Definitions of the terms used in the Statement of Cash Flows are:

- 'Cash' includes coins and notes, demand deposits and other highly liquid investments readily convertible into cash, and includes at call borrowings such as bank overdrafts, used by CFFC as part of its day-to-day cash management.
- 'Operating activities' include all transactions and other events that are not investing or financing activities.
- 'Investing activities' are those activities relating to the acquisition and disposal of current and non-current investments and any other non-current assets.
- 'Financing activities' are those activities relating to changes in equity of the entity.

Impairment of Property, Plant & Equipment and Intangible Assets

Property, Plant & Equipment and Intangible Assets that have finite useful lives are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Given the future economic benefits of CFFC's assets are not directly related to the ability to generate net cash flows, the value in use of these assets is measured on the basis of depreciated replacement cost.

An impairment loss is recognised in the Statement of Comprehensive Revenue & Expenses whenever the carrying amount of an asset exceeds its recoverable amount. Any reversal of impairment losses is also recognised in the Statement of Comprehensive Revenue & Expenses.

Provisions

A provision is recognised for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that an outflow of future economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured as the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Any increase in the provision due to the passage of time is recognised as an interest expense and is included in 'finance costs'.

Goods and Services Tax

All items in the financial statements are exclusive of goods and services tax (GST), except for receivables and payables which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, Inland Revenue is included as part of current assets or current liabilities in the Statement of Financial Position. The net GST paid to, or received from the Inland Revenue, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

Income Tax

CFFC is a public authority, and consequently is exempt from the payment of income tax under the Income Tax Act 2007. Accordingly, no provision has been made for income tax.

Cost Allocation Policy

CFFC has determined the cost of outputs using the cost allocation system outlined below:

- Direct costs are those costs directly attributed to an output. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific output.
- Direct costs are charged directly to outputs. Indirect costs are charged to outputs based on cost drivers and related activity or usage information. Personnel costs are charged on the basis of estimated time incurred. Other indirect costs are assigned to outputs based on the proportion of direct staff time for each output.

There have been no changes to the cost allocation methodology since the date of the last audited financial statements.

How is CFFC funded?

Revenue from Crown Appropriation

Note 4

Revenue from the Crown is recognised as revenue when earned and is reported in the financial period to which it relates. Revenue is measured at the fair value of consideration received or receivable.

CFFC has been provided with funding from the Crown for specific purposes as set out in its founding legislation and the scope of a single Government appropriation. Apart from these general restrictions, there are no unfulfilled conditions or contingencies attached to Government funding.

Other Crown Revenue

Note 5

CFFC received other Crown revenue from the New Zealand Defence Force and the Tamaki Redevelopment Company to contribute towards the development, project management, execution and evaluation of various programmes and initiatives.

Other Revenue

Note 6

CFFC received other revenue from non-Crown entities to contribute towards the development, project management, execution and evaluation of various financial capability behaviour change programmes.

Interest Revenue

Note 7

Interest revenue is recognised using the effective interest method.

Revenue Received in Advance

Note 8

Throughout the period CFFC received funding contributions from various Crown and non-Crown entities to contribute towards the development, project management, execution and evaluation of various programmes and initiatives. Where these initiatives had commenced but had not been completed by year end, CFFC recognises the portion of the funding that has been received in advance of CFFC providing the related goods and services as Revenue Received in Advance. This is in accordance with PBE International Public Sector Accounting Standard 9 (Revenue from Exchange Transactions).



How does CFFC spend the funds?

Personnel Costs

Note 9

	Note	Actual 2016/17	Actual 2015/16
Salaries & Wages		\$2,908,220	\$2,533,112
Employer Contributions to Superannuation Schemes		\$107,504	\$94,780
Increase/(Decrease) in Employee Entitlements	10	\$23,297	\$16,460
		\$3,039,021	\$2,644,352
ACC Levies		\$6,894	\$3,983
Professional Development, Training & Miscellaneous		\$41,561	\$44,193
Recruitment Costs		\$7,808	\$1,849
Total Personnel Costs		\$3,095,284	\$2,694,377

Superannuation Schemes

Obligations for KiwiSaver contributions are accounted for as a defined contribution superannuation scheme and are recognised as an expense in the Statement of Comprehensive Revenue & Expenses as incurred.

Employee Entitlements

Note 10

Short-term employee entitlements, including holidays, are recognised as an expense over the period in which they accrue.

Entitlements that are due to be settled within 12 months after the end of the period in which the employee renders the related service are accrued based on the higher of current, or rolling 12-month average, rate of pay.

	Actual 2016/17	Actual 2015/16
Accrued Salaries & Wages	-	-
Accrued Annual Leave	\$135,297	\$112,000
Total Employee Entitlements	\$135,297	\$112,000

A liability and an expense are recognised for performance pay where there is a contractual obligation or where there is a past practice that has created a constructive obligation.

Employee Remuneration

Note 11

During the 12 month period ending 30 June 2016, 17 employees and former employees (2014/15: 14) received remuneration and other benefits that on an annualised full-time equivalent basis would be in excess of \$100,000 per annum.

Remuneration Paid or Payable	# Employees 2016/17	# Employees 2015/16
\$100,000–\$109,999	5	6
\$110,000–\$119,999	3	3
\$120,000–\$129,999	-	1
\$130,000–\$139,999	-	1
\$140,000–\$149,999	1	-
\$160,000–\$169,999	2	1
\$170,000–\$179,999	-	2
\$200,000–\$209,999	-	1
\$210,000–\$219,999	1	-
\$240,000–\$249,999	-	1
\$250,000–\$259,999	1	-
\$260,000–\$269,999	-	-
\$270,000–\$279,999	-	1
\$300,000–\$309,999	1	-
Total Number of Employees	14	17

During the 12-month period ending 30 June 2017, 2 employees (2016: 1) received redundancy payments as per their employment agreement, totaling \$114,000 (2015/16: \$8,308).

Retirement Villages

Note 12

Only direct actual costs are recorded as actual and budgeted expenditure for Retirement Villages. CFFC has calculated that approximately \$246,464 (2015/16: \$297,551) worth of personnel costs and overheads can also be attributed to Retirement Villages during the year.

This calculation is based on the percentage of FTE time that was estimated at the start of the year to be spent on activities related to the Retirement Villages output.

The total amount of expenditure on Retirement Villages is therefore approximately \$368,611 (2015/16: \$371,618).

Explanation of Major Variances (+/- \$25,000) against Budget

Note 13

Statement of Comprehensive Revenue & Expenses

- Revenue from Crown appropriation is \$900,000 favourable due to the unbudgeted receipt of funding for targeted Māori projects.
- Other Crown Revenue is \$113,744 favourable and Other Revenue is \$245,088 favourable, primarily due to invoicing for CFFC run Sorted programmes.
- Personnel Costs are \$56,131 unfavourable due to redundancy costs.
- Amortisation is \$76,423 favourable due to lower capital expenditure than forecast on website development intangible assets.
- Other Operating Costs are \$57,872 favourable due to lower expenditure than forecast on domestic and international travel.
- Marketing and Communications is \$163,923 favourable due to production costs relating to the reporting of the Review of Retirement Income Policies being accounted for separately.
- Review of Retirement Income Policies was \$169,376 unfavourable due to production costs relating to the reporting of the Review of Retirement Income Policies being accounted for under this classification rather than as a Marketing cost.
- Financial Education Resources and Campaigns are \$866,690 unfavourable due to costs related to the delivery of CFFC run Sorted programmes and the delivery of targeted Māori projects, for which additional Crown Revenue was received.

Statement of Financial Position

- Cash and Cash Equivalents were \$592,120 favourable, GST Receivable was \$26,682 favourable and Creditors and Other Payables were \$39,723 favourable due to timing of operational expenditure.
- Debtors and Other Receivables were \$56,800 favourable primarily due to invoicing of government department, and third parties for the development, project management, execution and evaluation of various programmes and initiatives.
- Property, Plant and Equipment is \$26,555 lower than budget due to the opening balance at 1 July 2016 being lower than forecast.
- Intangible Assets are \$91,100 lower than budgeted due to lower capital expenditure on website development than forecast.
- Provisions were \$114,000 unfavourable due to redundancies in July 2017 which were provided for at 30 June 2017.
- Employee Entitlements are \$29,317 unfavourable due to increases in employee annual leave balances at the balance date.

Transactions with Related Parties

Note 14

CFFC is an Autonomous Crown Entity defined by the Crown Entities Act 2004.

Significant Transactions with Government-Related Entities

During the period, CFFC received \$6,682,000 of direct funding from the Crown (2015/16: \$5,782,000) and \$113,744 of revenue from entities controlled, significantly influenced, or jointly controlled by the Crown (2015/16: \$138,270). The Government significantly influences the role of CFFC, as well as being its major source of revenue.

Collectively, but not Individually, Significant Transactions with Government-Related Entities

In conducting its activities, CFFC is required to pay various taxes and levies (such as GST, FBT, PAYE, and ACC levies) to the Crown and entities related to the Crown. The payment of these taxes and levies, other than income tax, is based on the standard terms and conditions that apply to all tax and levy payers. CFFC is exempt from paying income tax.

CFFC also purchases goods and services from entities controlled, significantly influenced, or jointly controlled by the Crown. These purchases included, but were not limited to, external audit services from Audit New Zealand, air travel from Air New Zealand, communication services from MBIE and payments to other government departments for operational and project-related expenses.

Related Party Transactions Required to be Disclosed

All related-party transactions have been entered into on an arm's-length basis.

Key Management Personnel Compensation

Key management personnel include the Retirement Commissioner and five members of the Executive Leadership Team.

	Actual 2016/17	Actual 2015/16
Remuneration	\$1,248,756	\$1,200,269
Full-Time Equivalent Staff	6	6



Property, Plant & Equipment and Intangible Assets

Property, Plant & Equipment

Note 15

Property, Plant & Equipment assets consist of Leasehold Improvements, Furniture & Fittings, Computer Equipment and Office Equipment.

Property, Plant & Equipment is recognised at cost less depreciation, less any impairment losses.

Additions

Costs are recognised as capital work in progress until the assets are operating in a manner intended by management, at which time the costs are transferred to the appropriate Property, Plant & Equipment asset.

The cost of an item of Property, Plant & Equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to CFFC and the cost of the item can be measured reliably.

Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value when control over the asset is obtained.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the Statement of Comprehensive Revenue & Expenses.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to CFFC and the cost of the item can be measured reliably. The costs of day-to-day servicing of Property, Plant & Equipment are recognised in the Statement of Comprehensive Revenue & Expenses as they are incurred.

Depreciation

Depreciation is calculated on a straight-line basis on Property, Plant & Equipment once it is in the location and condition necessary for its intended use, so as to write off its cost or valuation over its expected useful life to its estimated residual value. The following estimated useful lives and rates are used in the calculation of depreciation:

Leasehold Improvements	4.7 – 14.3 years	7.0% – 21%
Furniture & Fittings	3.3– 12.5 years	8.5% – 30.0%
Computer Equipment	1.5 – 5.8 years	17.5% – 67.0%
Office Equipment	2.8 – 10.4 years	9.6% – 36.0%

Property, Plant & Equipment

Note 15 Continued

	Leasehold Improvements	Furniture & Fittings	Computer Equipment	Office Equipment	Total
Gross Carrying Amount					
Balance at 1 July 2015	\$276,027	\$186,041	\$62,410	\$15,614	\$540,092
Additions	\$46,416	\$4,326	\$59,681	\$8,197	\$118,620
Disposals	(\$8,508)	(\$90,650)	(\$12,034)	-	(\$111,192)
Balance at 30 June 2016	\$313,935	\$99,717	\$110,057	\$23,811	\$547,520
Additions	-	-	\$4,675	\$4,044	\$8,719
Disposals	-	-	-	-	-
Balance at 30 June 2017	\$313,935	\$99,717	\$114,732	\$27,855	\$556,239
Accumulated Depreciation					
Balance at 1 July 2015	\$11,726	\$88,410	\$22,393	\$7,687	\$130,216
Depreciation Expense	\$23,131	\$10,929	\$30,443	\$3,175	\$67,678
Elimination on Disposal	(\$1,024)	(\$83,188)	(\$11,893)	-	(\$96,105)
Balance at 30 June 2016	\$33,833	\$16,151	\$40,943	\$10,862	\$101,789
Depreciation Expense	\$25,302	\$10,260	\$37,470	\$5,342	\$78,374
Elimination on Disposal	-	-	-	-	-
Balance at 30 June 2017	\$59,135	\$26,411	\$78,413	\$16,204	\$180,163
Carrying Amounts					
At 30 June 2016	\$280,102	\$83,566	\$69,114	\$12,949	\$445,731
At 30 June 2017	\$254,800	\$73,306	\$36,319	\$11,651	\$376,076

Intangible Assets

Note 16

Websites

Costs that are directly associated with the development of interactive aspects of CFFC's websites are capitalised when complete.

Costs associated with maintaining and advertising CFFC's websites are recognised as an expense as incurred.

Computer Software

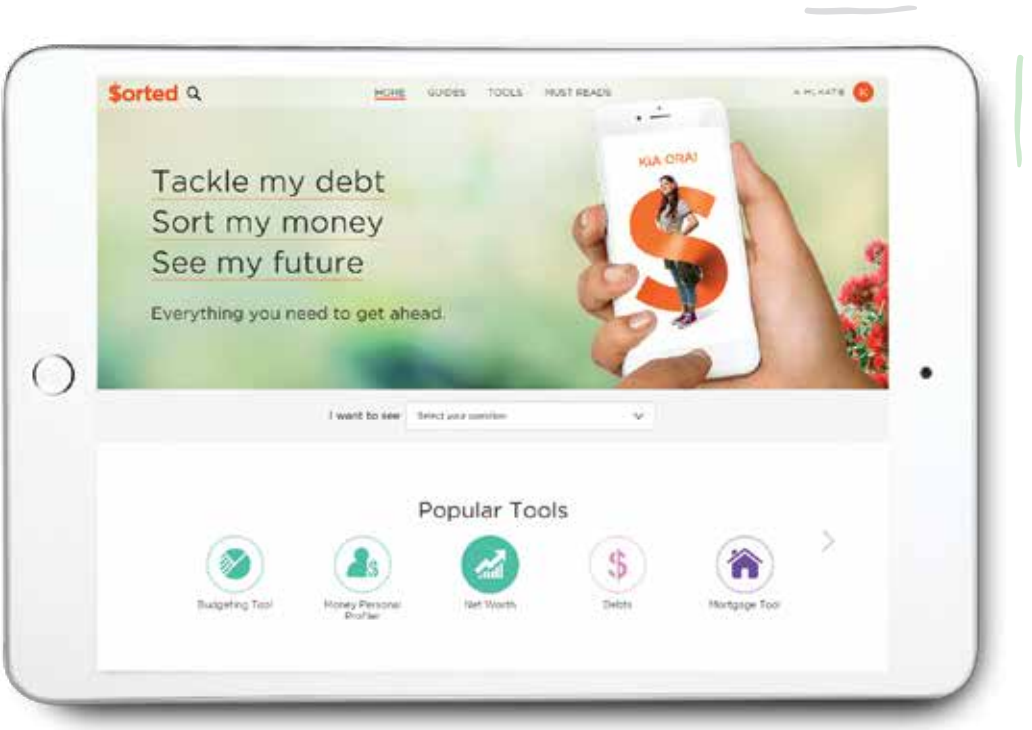
Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Amortisation

Amortisation is charged on a straight-line basis over the estimated useful life of the intangible asset. The following estimated useful lives and rates are used in the calculation of amortisation:

Websites	2.5 years	40.00%
Software	2.5 years	40.00%



Intangible Assets

Note 16 Continued

	Websites	Computer Software	Capital Work In Progress	Total
Gross Carrying Amount				
Balance at 1 July 2015	\$319,884	\$50,757	\$20,350	\$390,991
Additions	\$606,365	\$16,832	(\$20,350)	\$602,847
Disposals	(\$244,609)	(\$50,947)	-	(\$295,556)
Balance at 30 June 2016	\$681,640	\$16,642	-	\$698,282
Additions	\$57,677	-	\$50,370	\$108,047
Disposals	(\$13,700)	-	(\$50,370)	(\$64,070)
Balance at 30 June 2017	\$725,617	\$16,642	-	\$742,259
Accumulated Amortisation				
Balance at 1 July 2015	\$187,784	\$48,419	-	\$236,203
Amortisation Expense	\$177,915	\$3,933	-	\$181,848
Elimination on Disposal	(\$233,760)	(\$50,419)	-	(\$284,179)
Balance at 30 June 2016	\$131,939	\$1,933	-	\$133,872
Amortisation Expense	\$281,720	\$6,657	-	\$288,377
Elimination on Disposal	(\$6,393)	-	-	(\$6,393)
Balance at 30 June 2017	\$407,266	\$8,590	-	\$415,856
Carrying Amounts				
At 30 June 2016	\$549,701	\$14,709	-	\$564,410
At 30 June 2017	\$318,351	\$8,052	-	\$326,403

Operating Leases and Capital Commitments

Note 17

Operating Leases

Leases that do not transfer substantially all the risks and rewards incidental to ownership of an asset to CFFC are classified as operating leases. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the term of the lease in the Statement of Comprehensive Revenue & Expenses. Commitments existed for non-cancellable operating leases are as follows:

	Actual 2016/17	Actual 2015/16
Less than One Year	\$137,416	\$146,073
Between One and Two Years	\$127,451	\$132,506
Between Two and Five Years	\$175,461	\$302,913
Later than Five Years	-	-
Total Operating Leases	\$440,328	\$581,492
Auckland Office Lease	\$431,561	\$551,696
Photocopier Lease	\$8,767	\$26,302
Telephone Lease	-	\$3,494
Total Operating Leases	\$440,328	\$581,492

On 3 November 2014 CFFC leased a new premise in Auckland for an initial term of 6 years with 1 right of renewal for another 4 years, giving a final expiry date of 2 November 2024. The lease expense at 30 June 2017 is \$110,448 per annum.

On 30 April 2015 CFFC leased a office carpark in Auckland for an initial term of 1 year with 2 rights of renewal for a further 1 year each, giving a final expiry date of 30 April 2018. The lease expense at 30 June 2017 is \$5,921 per annum.

Operating lease commitments also include a photocopier lease of an estimated \$17,535 per annum based on an agreed minimum volume, which expires on 21 December 2017.

CFFC does not have the option to purchase the leased assets at the expiry of the lease periods.

Capital Commitments

There are no capital commitments at 30 June 2017 (2015/16: \$Nil).



Lease Incentives

Note 18

As part of the agreement to lease its Auckland offices, CFFC received capital contribution payments from the respective premises' landlords as an incentive.

Capital contribution payments received from landlords are amortised over the life of the lease, where the assets are owned by CFFC and recognised as a reduction of rental expense over the lease term.

	Actual 2016/17	Actual 2015/16
Lease Incentives		
Auckland Office Lease	\$31,764	\$41,293
Total Lease Incentives	\$31,764	\$41,293



Other

Debtors and Other Receivables

Note 19

Short-term debtors and other receivables, comprising trade debtors, accrued interest and prepayments, are recorded at their face value, less any provisions for impairment.

CFFC recognises a provision for impairment where there is an objective evidence of its debtors being unable to make required payments.

	Actual 2016/17	Actual 2015/16
Debtors and Other Receivables		
Debtors	\$48,196	\$92,130
Accrued Interest	-	\$264
Prepayments	\$8,604	\$32,966
Total Debtors & Other Receivables	\$56,800	\$125,360

The carrying value of receivables approximates their fair value. A breakdown of aged trade debtors is detailed below:

	Actual 2016/17	Actual 2015/16
Aged Debtors		
Not Past Due	\$46,138	\$92,130
Past Due 1 – 30 Days	\$2,058	-
Past Due 31 – 60 Days	-	-
Past Due > 61 Days	-	-
Provision for Impairment	-	-
Total Aged Debtors	\$48,196	\$92,130

All debtors greater than 30 days in age are considered to be past due. There no provisions for doubtful debts in 2016/17 (2015/16: \$nil).

Creditors and Other Payables

Note 20

Short-term creditors and other payables are recorded at their face value as they are non-interest bearing and are generally settled within 30 days.

	Actual 2016/17	Actual 2015/16
Trade Creditors	\$148,230	\$128,419
Accrued Expenses & Other Payables	\$78,015	\$95,458
Total Creditors & Other Payables	\$226,245	\$223,877

Contingencies

Note 21

There are no contingent assets or liabilities at this reporting date (2015/16: \$Nil).

Events after Balance Date

Note 22

There were no significant events after the balance date.



Net Cash Flow from Operating Activities

Note 23

Reconciliation of the Statement of Comprehensive Revenue & Expenses surplus with Net Cash Flow from Operating Activities:

	Actual 2016/17	Actual 2015/16
Net Cash Flow from Operating Activities		
Net Surplus/(Deficit) for the Year	(\$145,207)	(\$174,341)
Add Non-Cash Items		
Depreciation	\$78,375	\$67,679
Amortisation	\$288,377	\$181,847
Net Loss on Disposal of Assets	-	\$26,464
Add Movements in Net Assets and Liabilities		
(Increase)/Decrease in Debtors & Other Receivables	\$43,934	\$192,121
(Increase)/Decrease in Accrued Interest	\$264	\$1,224
(Increase)/Decrease in Prepayments	\$24,362	\$76,009
(Increase)/Decrease in GST Refund Due	\$39,009	(\$11,337)
Increase/(Decrease) in Creditors & Other Payables	\$2,369	(\$232,317)
Increase/(Decrease) in Employee Entitlements	\$23,297	\$16,460
Increase/(Decrease) in Provisiona	\$114,000	-
Increase/(Decrease) in Lease Incentive Liability	(\$9,529)	(\$42,028)
Increase/(Decrease) in Revenue in Advance	(\$26,667)	(\$69,933)
Net Cash Flow from Operating Activities	\$432,584	\$31,848



Financial Instruments

Note 24

Financial Instrument Categories

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are recognised initially at fair value plus transaction costs, and subsequently measured at amortised cost using the effective interest rate method.

All financial assets being cash and cash equivalents, term deposits, trade and other receivables have been categorised as loans and receivables.

Financial liabilities being trade and other payables (excluding Revenue Received in Advance) are categorised as financial liabilities measured at amortised cost.

	Actual 2016/17	Actual 2015/16
Financial Assets and Liabilities		
Loans & Receivables		
Cash and Cash Equivalents	\$918,614	\$545,120
Debtors and Other Receivables	\$56,800	\$125,360
Total Loans and Receivables	\$975,414	\$670,480
Financial Liabilities		
Creditors and Other Payables	\$226,245	\$223,877
Total Financial Liabilities	\$226,245	\$223,877

CFFC has business credit card facilities with Westpac Bank of \$60,000 (2015/16: \$60,000).

Capital Management

Note 25

CFFC's capital is its equity, which is comprised of accumulated funds and capital contribution. Equity is represented by net assets.

CFFC is subject to the financial management and accountability provisions of the Crown Entities Act 2004, which impose restrictions in relation to borrowings, acquisition of securities, issuing guarantees and indemnities and the use of derivatives.

CFFC manages its equity as a by-product of prudently managing income, expenses, assets, liabilities, investments and general financial dealings to ensure CFFC effectively achieves its objectives and purpose whilst remaining a going concern.





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