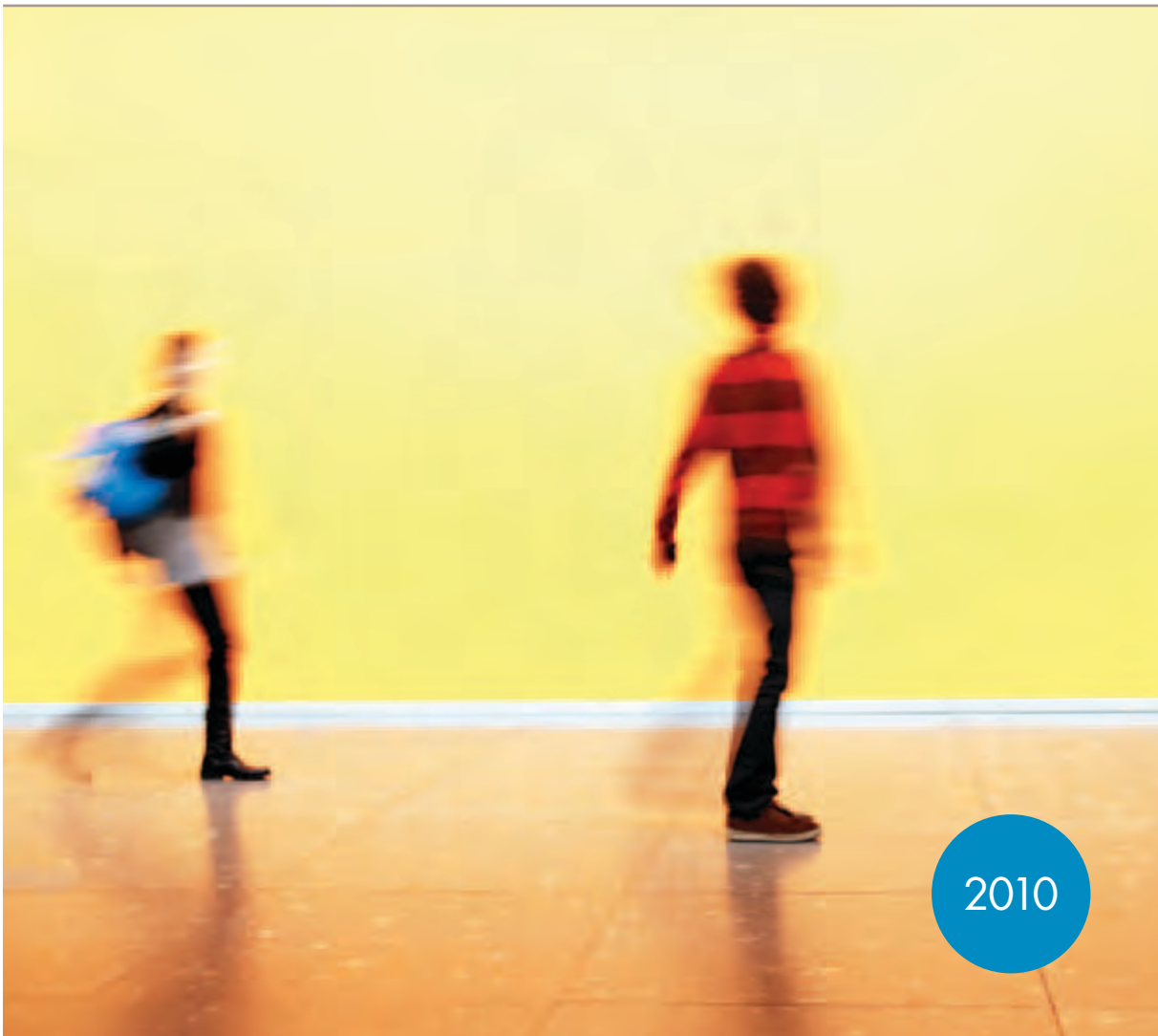


# DRSL Annual Report





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# Welcome to DRSL

**DRSL is a specialist dispute resolution company. It provides services and systems to resolve disputes between organisations and the people they come into contact with.**

Dispute resolution is an internationally accepted alternative to solving disagreements that might otherwise end up in court. There are several alternative dispute resolution processes – facilitation, mediation and adjudication – and DRSL provides services in all of these areas, including the establishment of comprehensive complaint-management systems for other organisations.

DRSL has resolved disputes of all kinds and all levels of complexity, including medical, insurance, disability, employment, and commercial, and handles more than 11,000 issues nationwide a year.

DRSL has offices in Auckland, Wellington and Christchurch and operates a staff of highly qualified professionals, including trained mediators and adjudicators, and a strong team of client-focused advisors and administrators.

DRSL was established in July 1999 to provide independent dispute resolution services for the Accident Compensation Corporation (ACC), which up until then had been handled 'in-house'. In its first month of operation it received a grand total of 179 review applications. In the past year there have been on average 800 review applications received each month.

In 2006 DRSL decided to investigate the wider commercial market. It tendered for and won the contract to establish a dispute resolution service for the telecommunication sector, establishing and operating Telecommunication Dispute Resolution (TDR). In 2010 this contract was extended for two years.

In early 2010 DRSL tendered for and won the contract to build and operate the Government's dispute resolution scheme for the retail financial services market, and Financial Disputes Resolution (FDR) was successfully launched in October 2010.

It also has an ongoing contract to provide dispute resolution services to the Health and Disability Commissioner.

DRSL continues to pursue its goal of being the best specialist provider of dispute resolution services in New Zealand, providing comprehensive and innovative dispute resolution services to a range of industries and markets while continuing to provide value for money.

## Comments from the Chair

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### Dr Marie Bismark, Chair of the DRSL Board

DRSL aims to provide the best specialist dispute resolution services in New Zealand. At present we do this through three primary service schemes; ACC, TDR and FDR.

I am pleased to report that in the 2009/10 year, DRSL helped to resolve over ten thousand disputes through the provision of timely, independent, confidential, and affordable dispute resolution services.

The number of review applications received from ACC claimants increased by 35% over 2008/09, as ACC implemented a major change programme aimed at improving rehabilitation performance and ensuring the long term sustainability of the ACC scheme. Almost 800 review applications were received, on average, each month. 90% of these were decided within 90 days, with a total of 9423 decisions issued during the year. The quality and independence of these decisions were assured through external assessment and the legislated appeal process.

We are also currently working with ACC to develop stronger early intervention services, aimed at identifying clients' concerns at an early stage, ensuring fair decision-making processes, and improving communication, in order to avoid disputes where possible.

Our TDR service continued to have high levels of customer satisfaction. Of the people who used the TDR service, 80% were satisfied with how their complaints had been handled. I was proud to see our team's commitment to ensuring the success of this scheme recognised with a Vero Excellence in Business award this year.

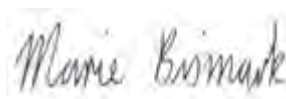
We were pleased to be appointed as the provider of the Government's reserve scheme for resolving disputes involving financial services providers and advisors. We look forward to welcoming new clients to this service.

Mediation and conciliation continue to offer highly effective and – in our view – under-utilised mechanisms for resolving disputes, while avoiding the stress, cost, and delays associated with more adversarial legal processes. One focus for the coming year will be on making our mediation and conciliation services more readily available to public sector agencies involved in the resolution of complaints and disputes.

The Board is always seeking to improve DRSL's performance. This year we sought external feedback on our organisational performance through assessment by the New Zealand Business Excellence Foundation, participation in the Vero Excellence in Business awards, meetings with key stakeholders, and the renewal of our ISO certification. The feedback we received was both encouraging and informative in identifying areas for further improvement.

I wish to thank our Chief Executive, Neil McKellar, and our hardworking staff for the integrity and professionalism with which they serve our company and our clients.

The year ahead promises to be one of growth and opportunity for DRSL, and we look forward to providing fair, flexible, efficient and effective dispute resolution services to our new and existing clients.



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Dr Marie Bismark

## Report from the Chief Executive

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**DRSL's core purpose continues to be 'helping people in dispute move forward', an ethic that resonates with everyone in DRSL. Regardless of changes in the working environment and growth within the company, this central premise underscores all that we do.**

There is no question that this year has been an extraordinary one in which there has been an enormous amount of growth and change within the company. The genesis of the changes was an increase in demand for our services as well as new business opportunities. There were record numbers of applications and resolutions.

Our financial results were also exceptional, despite the challenges posed by the current financial environment. This was achieved entirely through the outstanding efforts of our staff. DRSL is receiving 34% more work than was projected, yet continues to meet its targets for resolving disputes. In the face of significant challenge, staff satisfaction and productivity remain firm.

We have worked hard to lift our capability and capacity to meet the changing environment, and we now have a solid basis for continuing to be the provider of choice for our clients. There are new premises for the Auckland and Wellington offices, and very recently we launched the new DRSL service, FDR, which is the Government's dispute resolution scheme for the financial services industry.

With the launch of FDR, DRSL is realising its long-held goal of becoming the best specialist provider of dispute resolution services in New Zealand. DRSL's core business of dispute resolution can be customised and readily applied across a range of industries, as shown by its movement into the telecommunication arena and now the financial services sector. In both of these instances, DRSL's underlying systems, processes and training were the foundation for the delivery of an independent dispute resolution scheme for consumers and the service providers. All our clients and our staff are benefiting from the dispute resolution synergies from leveraging our services across very different sectors.

On the professional front we continued our focus on improvements on the internationally recognised dispute resolution benchmark principles of accessibility, independence, fairness, accountability, efficiency and effectiveness.

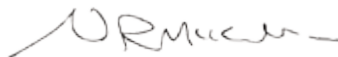
Most of our accessibility effort in 2009/10 went into lifting public awareness of the TDR service. The launch of the new FDR service will help to reinforce DRSL's independence. The perception of fairness was again very high in our TDR service this year, with 80% of clients satisfied with the service they had received. We continue to publish and make available as much information as is legislatively possible to demonstrate accountability, using our websites as the principal means of communication. Our efficiency, as measured by cost per resolution, is tracking much lower than inflation. This efficiency has been passed on to clients as no price increases since 2008.

The effectiveness of our services is reflected in continuing demand for our services. To that end I'm delighted that the telecommunication industry has seen fit to extend the TDR contract for two years, and the Ministry of Consumer Affairs has agreed to contract DRSL to operate the FDR service for four years.

Customer satisfaction is the most critical factor for us, no matter how it is expressed. Cost effectiveness, customer retention, time to resolution and other uniquely important requirements are frequently presented. I am especially pleased that in a very challenging year of developing new business, addressing an ever-increasing workload, and relocating two of DRSL's offices, customer satisfaction has remained high.

For me, the performance and professionalism of DRSL staff and the commitment of the Board to our development have been the highlights of

the past year. The TDR team won the Vero Excellence in Business award for the establishment of the TDR service earlier this year. DRSL also featured as a finalist in the Writemark NZ Plain English Awards, and our Manager Human Resources was a regional finalist in the New Zealand Institute of Management/Eagle Technology Young Executive of the Year Awards. I am in awe of the commitment of our people to excellence in all they do, and I am in no doubt this will continue as new challenges and new opportunities emerge.



.....  
Neil McKellar

“There is no question that this year has been an extraordinary one in which there has been an enormous amount of growth and change within the company.”

# Our services

## Facilitation & Mediation

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Facilitation and mediation are quick and flexible alternatives to resolving disputes that might otherwise end up in court. Using a facilitation or mediation process to resolve a dispute is a good way to protect a relationship between disputing parties that might otherwise be damaged, as they are inclusive and non-confrontational.

Legal representation is not required and the dispute can be addressed as soon as all parties agree to participate.

**Mediation** can be used in a variety of situations, including relationship, employment, community and commercial disputes.

**Facilitation** begins with information gathering.

### Facilitation

Facilitation aims to get disputing parties to fully understand each other's position in an effort to resolve a dispute.

Facilitation begins with information-gathering and uses a facilitator as an intermediary to make sure there is good communication between the parties. The facilitator may provide written recommendations for resolving or progressing the dispute, but does not make any binding decisions.

### Mediation

The aim of mediation is to get disputing parties to reach a mutually agreed conclusion. Mediation can be used in a variety of situations, including relationship, employment, community and commercial disputes.

Mediation involves an impartial third person (a professionally qualified mediator) helping the parties to reach an agreement through a constructive, problem-solving approach. The mediator doesn't make a decision on the dispute, but helps the parties to discuss the issues and get to a mutually acceptable result. Mediation is confidential, which means it cannot be referred to in any subsequent court proceedings.

## Complaint-Management Systems

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DRSL has experience with a range of industry complaint-management systems. DRSL can assess an existing complaint-handling process and evaluate its effectiveness, and also has the ability to design and implement new systems that are the most appropriate for an organisation or industry.

There are fundamental requirements in any complaint-management scheme and DRSL can ensure these are in place, well practised and well monitored.

DRSL currently manages complaint-management systems in the health, telecommunication and financial service sectors.

## Consultancy

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DRSL offers a range of consulting services designed to avoid, or minimise, the risk of disputes escalating. These may take the form of independent advice on issues management; facilitation of meetings of relevant experts; and confidential employment issues resolution.

They include dispute prevention and resolution strategies, staff training programmes and reporting procedures.

### DRSL provides:

- presentations on conflict management and dispute resolution
- interactive conflict management workshops for small groups
- one-on-one troubleshooting and problem solving advice
- access to information such as summaries of court decisions
- information on the dispute resolution process, and advice on how best to navigate it
- management information and analysis.

## Adjudication

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Adjudication is a process where disputing parties agree to have an independent assessment and decision made about their dispute.

DRSL provides professional, independent adjudicators and arbitrators who are skilled in advanced legal and statutory interpretation, analysis and reasoning. Our adjudicators assess disputes and deliver fully reasoned written decisions.

**DRSL operates the legislated decision-review system for ACC, and also provides alternative dispute resolution services to ACC such as facilitation and mediation.**

DRSL has managed the ACC review process for more than ten years, competently navigating case law, claimants and ACC's own systems.

The ACC review process is for people who are unhappy about a decision or outcome of their ACC claim. People who contact DRSL with ACC disputes are encouraged to try facilitation or mediation first, to try to resolve the problem. A DRSL reviewer meets with ACC clients, employers and ACC staff to review the ACC decision that is in dispute and then issues a formal decision, which can include upholding the original ACC decision, modifying or overturning it, including decisions about money and payments. The decisions are binding and can only be appealed through the District Court.

The service is paid for by ACC but free to claimants.

The key factors in the relationship between DRSL and ACC are service, cost and efficiency.

DRSL KEY CLIENT

**35% increase**  
in new review  
applications.

There has been a 35% increase in new review applications coming to DRSL compared to the 2008/09 year, with an average of almost 800 new reviews applications per month. This is consistent with last year, when there was also an increase in review application numbers of over 30% from the previous year. For DRSL, this means there are over 60% more review applications being processed now compared with two years ago.

While the review application numbers continue to climb, DRSL has maintained its productivity levels. Last year saw a record rise in reviews completed per full-time-equivalent (FTE), an increase in productivity of 29% over the previous year. In the 2009/10 year DRSL maintained this high rate, even in the face of the 35% increase in review application numbers. It also maintained its cost per dispute from the previous year.

The review and mediation processes can be adversarial or result in a decision 'against' a complainant, so it can be difficult to assess customer satisfaction – the customer may have received good service but be unhappy about the outcome, for example, and express that as a negative experience. However, DRSL does offer a customer satisfaction survey to all people who have been through the ACC review or mediation process.

In the 2009/10 research, 73% of respondents were satisfied with the service provided by DRSL, and of those 30% were very satisfied. Of the remainder, 12% were neutral and 15% were not satisfied.

## CASE STUDY

The case studies highlight some of the issues DRSL covers in any given year. All identifying material has been removed.

### 1 Do I have to pay for my employee's accident?

If an employee has an accident at work, their employer must pay the first week of compensation (80% of the earnings the employee would have lost in that week). In this case study it was the employer who applied for a review of an ACC decision.

- An employee claimed they had badly hurt their hand at work. On doctor's advice the worker took a week off work, during which time they continued to be paid. After looking at its security film footage the employer applied for a review of ACC's decision that the accident had happened at work. After considering all of the evidence, the DRSL reviewer agreed it was unlikely the accident had happened at work as claimed, and ACC's decision that the employer cover the costs of the accident was overturned. ●

### 2 How long can I expect ACC to pay weekly compensation?

ACC covers not only the treatment required after an injury, it can also pay weekly compensation if a person is injured and not able to work for a period of time because of their injury.

- A woman injured her back while lifting a heavy object. She went to her doctor three months later, who diagnosed a muscle strain and recommended light duties for the woman from then on. ACC covered the cost of the treatment, but found the woman was not entitled to weekly payments to compensate for any drop in income as a result of the accident. It found that the effects of her

injury had been 'spent' and that any other pain or discomfort was the result of a degenerative problem that had been present before the accident. The woman applied for a review of that decision. The DRSL reviewer said the medical evidence was clear – the woman's muscle strain from the accident had settled, and any ongoing problem was due to a degenerative disease in her thoracic and lumbar spine, not a result of an accident, therefore she was not entitled to weekly compensation. ●

### 3 What if I'm not dealing with ACC?

Many of the country's large employers manage their own employees' accident claims in partnership with ACC. Employees who are injured on the job still have the right to apply for a review.

These employers are called 'Partnership Programme' employers. They must still meet the same legal requirements as ACC would regarding cover and entitlements.

- An employee lodged a claim after her doctor diagnosed a neck sprain as a result of having to wear an earpiece at work.

The employer did not accept there had been an 'accident' as defined by law, and then argued there was no personal injury as result of an accident. The employee applied for a review.

After looking at the case the reviewer said the claim met all of the legal definitions – there had been an accident, and personal injury as a result of that accident. The reviewer decided the employee was entitled to have her treatment costs covered by her employer. ●

# FDR

## Financial Dispute Resolution

[www.fdr.org.nz](http://www.fdr.org.nz)

**The launch of the new FDR service was an important highlight for DRSL in the 2009/10 year. It is an excellent example of DRSL's intent and ability to become a provider of dispute resolution services across a range of sectors.**

DRSL entered a competitive bid process to provide the service, which it won. It then began working with the Ministry of Consumer Affairs on the development of the service processes, rules and fees, culminating in the launch of the scheme on 1 October 2010.

FDR was established by the Government as part of a new regime to provide greater accountability and transparency in the financial services sector. Under the regime, a wide range of financial service providers must be registered to legally provide financial services. In order to register, financial service providers must be members of an external dispute resolution service, of which one is FDR.

People and organisations providing financial services and advice to the public must be on

the Financial Service Providers Register (operated by the Companies Office) by 1 December 2010. One of the requirements of registration is membership of an external dispute resolution scheme.

DRSL has developed a comprehensive dispute resolution service in FDR, which it expects to be rigorously tested by the financial services industry and its retail clients. The FDR dispute resolution process is similar in many ways to the TDR service. A consumer can only make a complaint about an organisation that is a member of the scheme, and they must have made the complaint to the organisation first and given the organisation a reasonable amount of time to respond.

The process is a three-level system, where the dispute resolution process escalates depending on the complexity and dispute level. FDR aims to settle disputes as simply and as early in the process as possible, to avoid escalating conflict and cost.

The service officially launched on 1 October 2010.

### DRSL KEY CLIENT

The FDR service was officially launched on **1 October 2010.**

“FDR was established by the Government as part of a new regime to provide greater accountability and transparency in the financial services sector.”

# TDR

## Telecommunication Dispute Resolution

[www.tdr.org.nz](http://www.tdr.org.nz)

**DRSL is the Scheme Agent for the TDR service, which was established in 2007. TDR was initiated by the telecommunication industry as an independent complaint management system. DRSL instituted the complaint-handling process for the management of TDR disputes, and continues to run the day-to-day service. This year there was also a review of the TDR service. The outcome of the review was an extension of the existing contract for two years.**

The TDR service is free for consumers to use, and is funded by the TDR Scheme Members.

The current membership of TDR covers 98% of New Zealand telecommunication consumers.

For the year ended 30 June 2010, a total of 3,233 calls were received by TDR. Of those calls, almost 90% were answered (by a real person) in under 20 seconds.

Unfortunately many calls related to disputes that TDR was unable to assist with, because either the company being complained about was not a member of the TDR scheme, or the complaint was about an issue that was outside TDR's jurisdiction, such as mobile coverage or pricing.

The TDR service resolved more than 700 disputes during the year.

Of these, the most common complaint type (44%) related to billings and credit management. Faults (15%) and customer service (18%) were the next most common complaint types. There were also complaints about network performance, complaint handling, contracts and transfers.

Research into customer satisfaction rates showed that 80% of people using the service were satisfied with the service and 77% would recommend it to family and friends.

The TDR scheme is also tasked with identifying systemic issues in the telecommunication industry. TDR results show there are three major areas of concern:

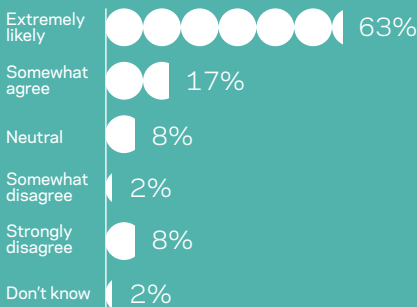
- Transferring from one company to another
- Internet data usage
- Water-damaged phones (for the second year).

“80% of people using the service were satisfied with the service and 77% would recommend it to family and friends.”

Well done TDR & DRSL for winning the **Vero Business Excellence award!**

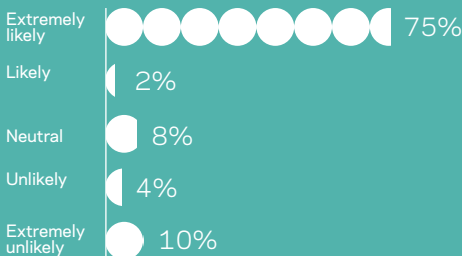
### Customer satisfaction

Overall, you are satisfied with the TDR dispute resolution process?



### Customer satisfaction

How likely is it that you would recommend a friend use TDR if they had a problem with a telecommunication company?



### TDR Launch Wins DRSL Business Excellence Award

A highlight of the 2009/10 year was the winning of a Vero Business Excellence award for the establishment of the TDR scheme.

DRSL won the 'BDO Business under \$5M Turnover One to Many Offering' category for the launch and development of TDR in the 2010 awards.

Derek Pullen, the Manager of TDR, accepted the award on behalf of the TDR and DRSL teams at the awards ceremony, and thanked not only those who had set up the scheme, but the staff and support people who continue to keep the service running at such a high level.



## Customer feedback

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The processes DRSL provides through its three different services can be adversarial or result in a decision 'against' a complainant, so it can be difficult to assess true customer satisfaction – the customer may have received good service but be unhappy about the outcome, for example, and express that as a negative experience.

However, DRSL is thorough about collecting customer feedback. This year it also took a more proactive approach to collecting customer satisfaction, by putting in place a new mechanism for gathering the data. In the past consumers were encouraged to fill in a customer satisfaction form. In 2010 DRSL engaged a research company to call the consumers who had used the company's dispute resolution services, to increase the amount of customer satisfaction feedback and therefore give a better picture of the service the company is providing.

"We like that DRSL mediators are able to work in a variety of dispute fields and able to mediate with multiple parties." **DRSL CLIENT**

Here is a selection of comments that were received about DRSL services and staff:

"Your agent could not have been more helpful and informative – he talked me through the whole process, and then when I had to call back, his colleagues were equally up to speed. I cannot be too appreciative." **TDR CUSTOMER**

"Excellent service, great outcome. [TDR staff member] was very helpful and friendly. Have already told friends about service. Have no hesitation recommending. Thanks TDR."

**TDR CUSTOMER**

"Thank you very much for all the help you have given me." **ACC CLAIMANT**

"I felt that the hearing could have been longer as my case covered several years, and I felt my examination needed to be hurried in order to fit the hearing into 45 minutes. I do, however, feel that the reviewer made a fair and reasonable decision and that she absorbed all of the information I was able to present within that timeframe." **ACC CLAIMANT**

"I really appreciated the help and guidance from [TDR staff member]. She was very diligent and supportive – follow-up emails, phone calls, etc – and provided impartial advice on my complaint and a satisfactory resolution." **TDR CUSTOMER**

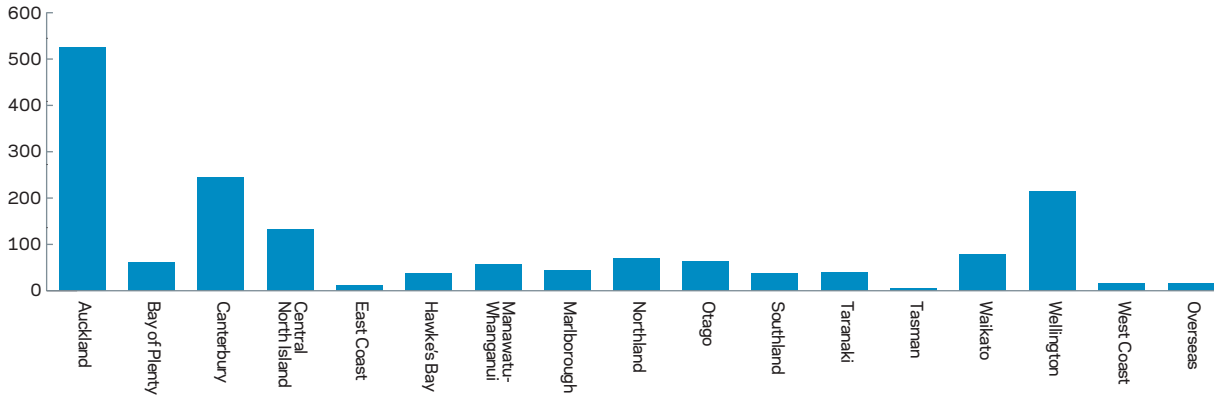
"I found the whole process nerve-wracking, but the reviewer was calm and very pleasant. At the end I felt that I had had a fair and equitable review, I was able to put across my points with the help of my lawyer (via conference call) and the reviewer kept the whole business as friendly as possible. I believe [reviewer] to be an excellent reviewer and told my lawyer this straight afterwards – even before we had the result. He also said we would hear in two weeks and we did!" **ACC CLAIMANT**

"We all think the agreement has covered all our issues and concerns very well ... I wish also to praise your fabulous mediation skills and I can't thank you enough for taking the time to care and help us. With you and your invaluable assistance I believe we have helped improve the care and the regard for patients." **MEDIATION CLAIMANT**

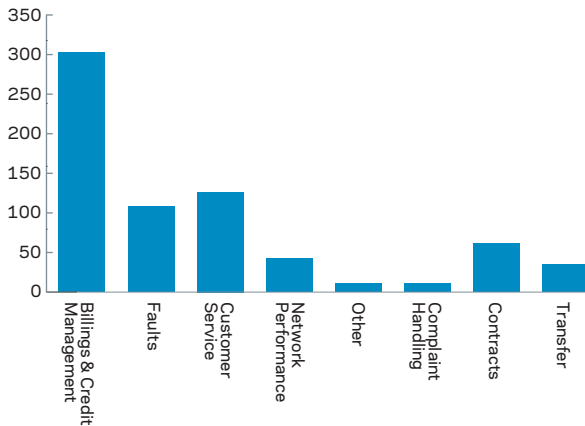


# Statistics

## TDR issues by location 2009



## TDR resolved job types by category



Billings and credit management make up the majority of complaints to TDR, with disputed amounts and payments being the most common.

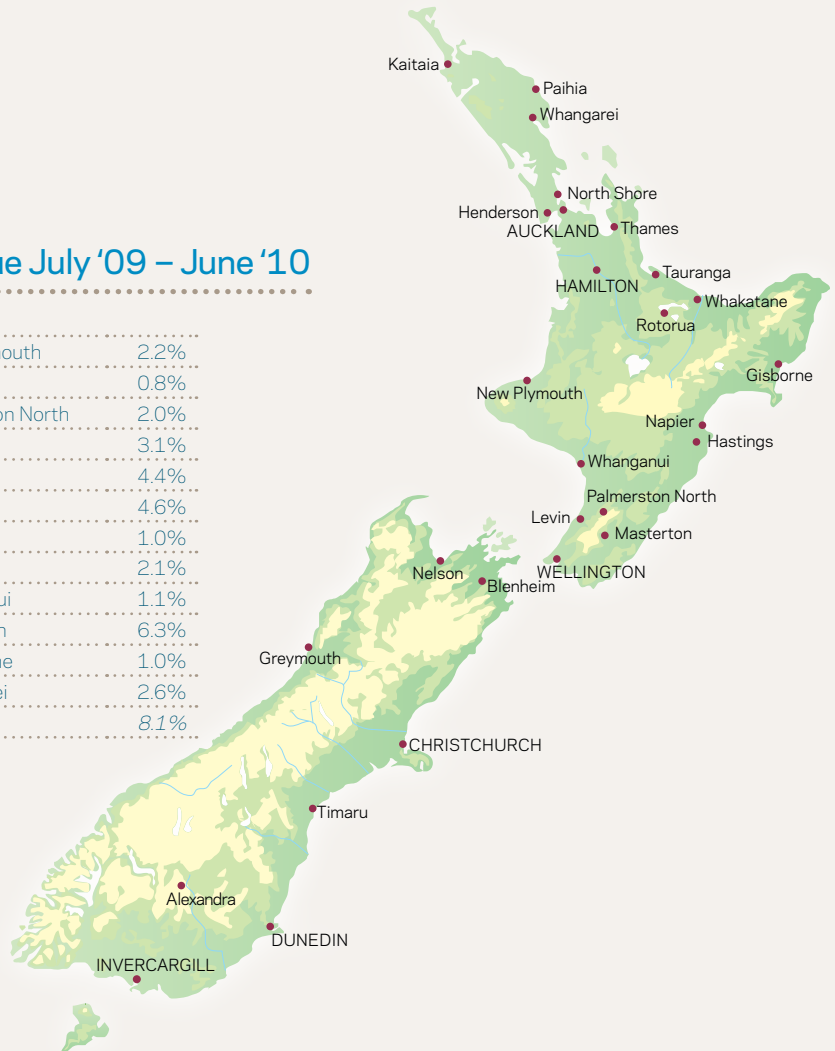
Customer service and faults have the next highest complaint levels, including long wait times, and slow or no responses to customer requests. Equipment failure is the most common cause of faults complaints.

“Almost 90% of calls to TDR were answered (by a real person) in under 20 seconds.”

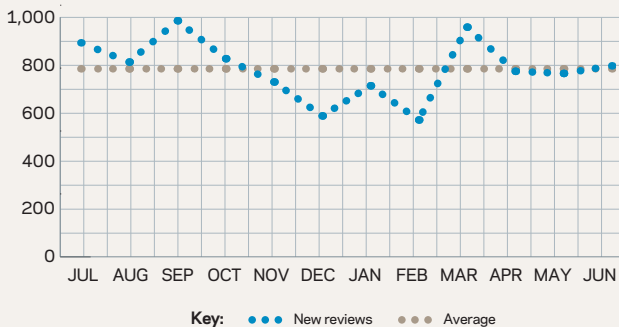
# Numbers

## ACC review hearings by venue July '09 – June '10

Alexandra	1.4%	New Plymouth	2.2%
Auckland	15.8%	Paihia	0.8%
Blenheim	1.5%	Palmerston North	2.0%
Christchurch	14.8%	Rotorua	3.1%
Dunedin	3.3%	Takapuna	4.4%
Gisborne	1.1%	Tauranga	4.6%
Greymouth	1.0%	Thames	1.0%
Hamilton	6.6%	Timaru	2.1%
Hastings	2.0%	Whanganui	1.1%
Henderson	3.8%	Wellington	6.3%
Invercargill	2.5%	Whakatane	1.0%
Kaitaia	0.3%	Whangarei	2.6%
Levin	0.8%	Other	8.1%
Masterton	1.2%		
Napier	2.1%		
Nelson	2.4%		



## DRSL (ACC) matters received July '09 – June '10



These numbers represent a 64% increase in reviews compared with two years ago, and a 34% increase compared with last year.

# About DRSL

## A little history

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DRSL began as a division of the New Zealand Government-owned ACC, carrying out reviews of claims against the Corporation by accident compensation claimants. It was incorporated on 1 July 1999 after a brief deregulation of the accident insurance sector, allowing other insurance providers to compete for accident cover business.

At that time, the ACC Board decided it was no longer appropriate for the review service to be part of the ACC organisation, so DRSL was established as an independent, stand-alone company offering ACC reviews and other dispute resolution services to the wider public and private sector market.

Although DRSL remains wholly owned by ACC, this company is totally independent of the Corporation and is guaranteed total independence in carrying out its functions, whether they are reviews for ACC or the wide variety of other services it provides for other clients.

DRSL has offices in Auckland, Wellington and Christchurch and holds hearings in 25 other locations.

## DRSL Board

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### Dr Marie Bismark (Chair)

Marie is a doctor and lawyer who specialises in health law and patients' rights. Through her role as a Consultant with Buddle Findlay, she advises a range of health sector clients including health providers, registration authorities, and other statutory bodies. She also serves on the ACC Board, the Family Planning Council, the Medico-legal Expert Advisory Group of the Royal Australasian College of Physicians, and the Ministerial Advisory Group on Veterans' Health. Marie holds academic appointments with the University of Melbourne and the University of Otago.

### Brent Kennerley

Brent is a partner at Grant Thornton Wellington and head of the Assurance team. He is a member of the Joint Audit Board between the Institute of Chartered Accountants of New Zealand and the New Zealand Law Society.



Find us online at  
[www.drsl.co.nz](http://www.drsl.co.nz)

### **Tupara Morrison**

Tupara is of Te Arawa descent – Ngati Whakaue, Ngati Hurungaterangi and Ngati Pukaki.

Tupara is a Chartered Accountant and member of the New Zealand Institute of Directors. He is the current Chairman of Wairiki Institute of Technology and a recent ministerial appointment to Lakes District Health Board. He is a Trustee of Te Kotahitanga o Ngati Whakaue Assets Trust, the receiving entity of the CNI Collective Treaty Settlement for Ngati Whakaue, and a Director of CNI Iwi Holdings Limited.

Tupara owns and operates a business consultancy company providing governance and business management services to a variety of clients across New Zealand.

### **Gregory Pollock**

Greg is a specialist planner and acts as a consultant to a number of government, local government and private sector clients. He is a Technical Director at Beca and has particular responsibilities for business development and client relationship management. He has also trained as a mediator, graduating from the Massey University course in 2004.

## **DRSL people**

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### **Neil McKellar**

Chief Executive

### **Anne Scragg**

Manager, ACC

### **Paul King**

Manager, Client & Business Development

### **Derek Pullen**

Manager, TDR

### **Stuart Ayres**

Manager, FDR

### **Katrina Leather**

Manager, Human Resources

### **Roshan Abeyesundere**

Manager, Finance

### **Andy Williams**

Manager, IT

**We have offices in Auckland,  
Wellington and Christchurch.**



## Summary financial statements for the year ended 30 June 2010

### Statement of comprehensive income

For the year ended 30 June 2010

	2010	2009
	\$000	\$000
<b>Total income</b>	14,461	10,769
<b>Expenditure</b>		
Employee benefits expense	(6,008)	(4,498)
Financing costs	–	(13)
Other expenses	(6,369)	(4,484)
<b>Total expenditure</b>	<b>(12,377)</b>	<b>(8,995)</b>
Operating surplus before tax	2,084	1,774
Income tax expense	(639)	(529)
<b>Net surplus and total comprehensive income attributable to owners of the parent</b>	<b>1,445</b>	<b>1,245</b>

## Statement of changes in equity

As at 30 June 2010

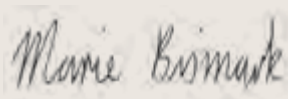
	2010	2009
	\$000	\$000
<b>Share capital</b>		
Balance as at 30 June	400	400
<b>Retained surpluses</b>		
Balance as at 1 July	2,674	1,429
Surplus for the year	1,445	1,245
<b>Balance as at 30 June</b>	<b>4,119</b>	<b>2,674</b>
<b>Total equity attributable to owners of the parent</b>	<b>4,519</b>	<b>3,074</b>

## Balance sheet

As at 30 June 2010

	2010	2009
	\$000	\$000
<b>Current assets</b>		
Cash and cash equivalents	2,346	1,584
Trade and other receivables	1,553	1,160
Work in progress	2,114	1,681
Total current assets	6,013	4,425
Total non-current assets	1,205	952
<b>Total assets</b>	<b>7,218</b>	<b>5,377</b>
Total current liabilities	1,979	1,850
Total non-current liabilities	720	453
<b>Total liabilities</b>	<b>2,699</b>	<b>2,303</b>
<b>Net assets</b>	<b>4,519</b>	<b>3,074</b>
<b>Equity</b>		
Share capital	400	400
Retained surpluses	4,119	2,674
<b>Total equity attributable to owners of the parent</b>	<b>4,519</b>	<b>3,074</b>

These summary financial statements were authorised for issue by the Board of Directors on 22 October 2010.  
For and on behalf of the Board



Dr Marie Bismark Board Chair



Greg Pollock Deputy Chair

## Statement of cash flows

For the year ended 30 June 2010

	2010	2009
	\$000	\$000
Net cash inflow from operating activities	1,356	1,526
Net cash (outflow) from investing activities	(594)	(388)
Net cash (outflow) from financing activities	–	(200)
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>762</b>	<b>938</b>
Cash and cash equivalents at beginning of the year	1,584	646
<b>Cash and cash equivalents at end of the year</b>	<b>2,346</b>	<b>1,584</b>

## Notes to the summary financial statements

### Basis of preparation

The summary financial statements are those of Dispute Resolution Services Limited (the 'company'). The company has designated itself as a profit-orientated entity for the purpose of New Zealand equivalents to International Financial Reporting Standards.

The statements have been prepared in accordance with New Zealand Financial Reporting Standard Number 43 ('Summary Financial Statements') and have been extracted from the full financial statements that comply with New Zealand Generally Accepted Accounting Practice and International Financial Reporting Standards.

The full financial statements were authorised for issue by the Directors of the company on 21 September 2010 and have been audited by Simon O'Connor of Ernst & Young on behalf of the Auditor-General. The full financial statements have an unqualified opinion.

The summary financial statements are presented in New Zealand dollars, the functional currency of the company, and rounded to the nearest thousand dollars.

### Full financial statements

The summary financial statements cannot be expected to provide as complete an understanding as provided by the full financial statements. The full financial statements are available on the company's website <http://www.drsl.co.nz>.

### Events after balance date

In August 2010 the company declared and paid a dividend of \$1,000,000 to the shareholder. (2009: there were no significant events after balance date.)

**AUDIT REPORT**  
**TO THE READERS OF**  
**DISPUTE RESOLUTION SERVICES LIMITED'S**  
**SUMMARY FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2010**

We have audited the summary financial statements as set out on pages 20 to 23.

**Unqualified Opinion**

In our opinion, the information reported in the summary financial statements complies with FRS-43: *Summary Financial Statements* and is consistent with the full financial statements from which it is derived and upon which we expressed an unqualified audit opinion in our report dated 21 September 2010.

**Basis of Opinion**

The audit was conducted in accordance with the Auditor-General's Auditing Standards, which include New Zealand Auditing Standards. Other than in our capacity as auditor, we have no relationship with or interests in the company.

**Responsibilities of the Board of Directors and the Auditor**

The Board of Directors is responsible for preparing the summary financial statements and we are responsible for expressing an opinion on those statements.



S R L O'Connor  
Ernst & Young  
On behalf of the Auditor-General  
Wellington, New Zealand  
6 December 2010



