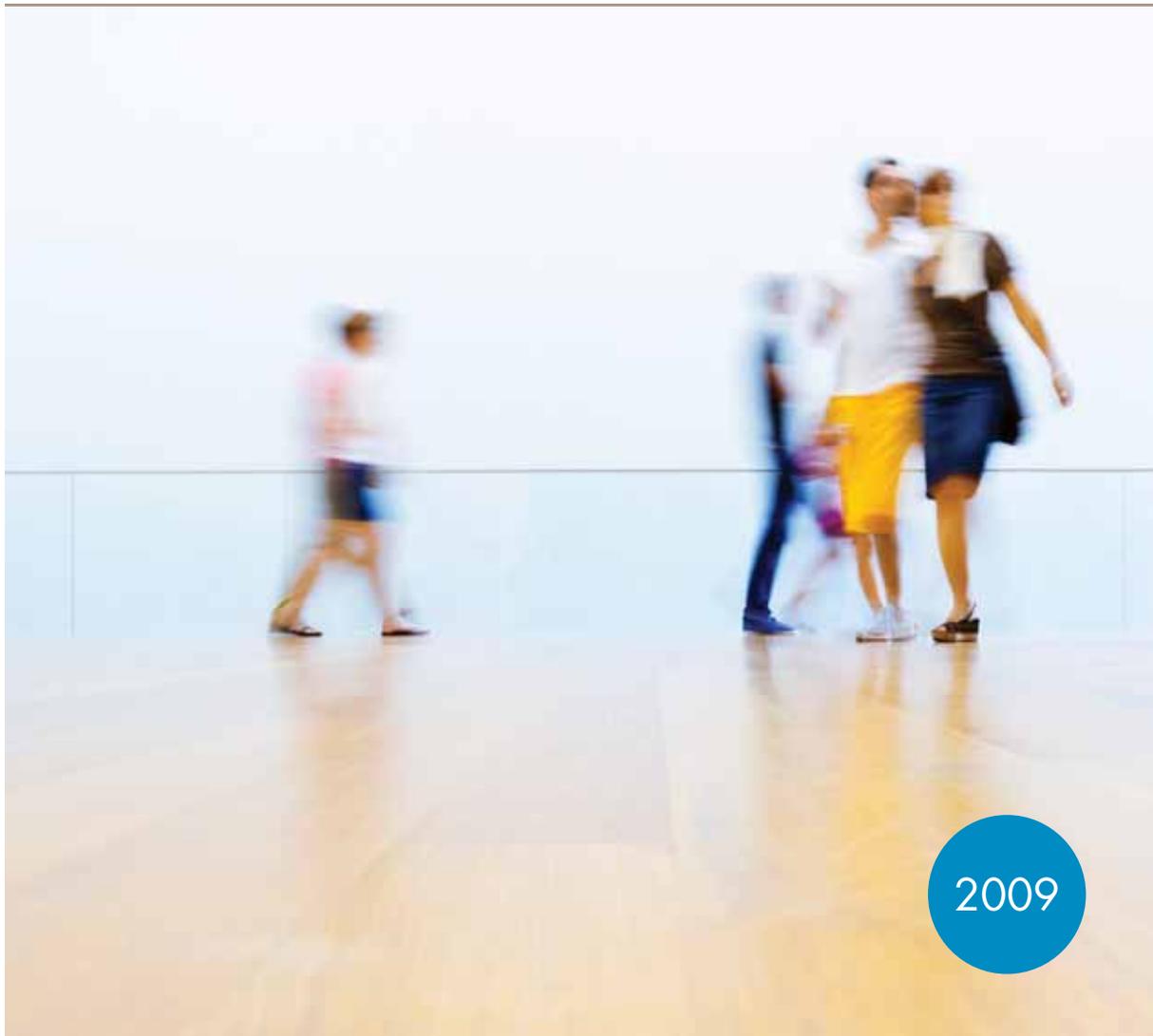


DRSL Annual Report



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Welcome to DRSL

DRSL is a specialist dispute resolution company. It provides services and systems to solve 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 – mediation, facilitation and adjudication – and DRSL provides services in all of these areas, including the establishment of comprehensive complaint management systems for other organisations.

Dispute Resolution Services has resolved disputes of all kinds and all levels of complexity, including medical, insurance, disability, employment, and commercial, and handles around 10,500 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 ACC, which up until then had been handled 'in-house'. In its first month of operation it received a grand total of 179 reviews. By September 2009 this number was nearly 1000 per month.

In 2006 DRSL decided to investigate the wider commercial market. It tendered for and won a contract to provide dispute resolution services to the telecommunications sector, establishing and operating the Telecommunication Dispute Resolution service.

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

DRSL continues to explore new opportunities where it can provide comprehensive and innovative dispute resolution services to a range of industries and markets, while continuing to provide value for money.



Comments from the Chair

Dr Marie Bismark, appointed Chair of the DRSL Board, April 2009

I am pleased to report that, in the 2008-2009 year, DRSL resolved more than 10,000 disputes throughout New Zealand, using facilitation, mediation, or adjudication to help people move forward without the need for costly and time-consuming legal proceedings.

The Board's key focus for the year was on ensuring that DRSL continued to provide timely and independent reviews of ACC decisions. New Zealanders effectively gave up the right to sue for personal injury in 1974 in exchange for access to no-fault compensation through ACC. An important aspect of the ACC scheme is the availability of fair and transparent processes whereby claimants can seek an independent review of ACC's decisions.

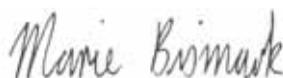
During the year, DRSL received an unprecedented number of ACC review applications (7521 compared with 5798 the previous year, an increase of almost 30%), as the Government embarked on a programme of ACC reform aimed at ensuring the long-term financial sustainability of the scheme. The escalating number of review applications demanded a rapid increase in both our capacity and productivity, and I am proud of our staff for maintaining the timeliness and quality of our services throughout this period. Overall, 76% of ACC disputes were resolved within the target of six months, with sound levels of client satisfaction.

Other highlights of the year included consolidation of our role in providing dispute resolution services for the telecommunications industry (with 93% of clients saying that they would recommend us to family or friends), the successful use of video conferencing facilities to undertake selected mediations and reviews, and the development of a more tailored approach to assessing the suitability of cases for mediation.

The year ahead promises to be another productive and challenging one for DRSL, as we respond to further changes to ACC, continue to improve our services, and seek to assist the financial services sector as it develops new dispute resolution processes.

We look forward to continuing to work with consumers, ACC, the Health and Disability Commissioner, the telecommunications industry, and the legal profession, and thank them for their ongoing support.

On behalf of the Board, I would like to acknowledge the work of Wayne Butson, who served as Chair of DRSL until April 2009. I also offer my warm thanks to our chief executive, Neil McKellar, and all of our managers, reviewers, mediators, and other employees (many of whom have been with us since our beginning 10 years ago), for the professionalism, skill, and compassion with which they serve our clients.



Dr Marie Bismark

Report from the Chief Executive

When DRSL was established 10 years ago, its vision was 'to be the first choice provider of review services to insurers in New Zealand'. In the 10 years since then the government, society and the working environment have changed around it. The DRSL vision has been refined in that time, to 'being the best specialist provider of dispute resolution services in New Zealand'. What hasn't changed is DRSL's core purpose of helping people move forward.

DRSL measures itself against the internationally recognised dispute resolution benchmark principles of **accessibility, independence, fairness, accountability, efficiency** and **effectiveness**. In New Zealand these principles were confirmed for consumer dispute resolution schemes by the Consumer Affairs Division of the Australian Department of Industry, Science and Tourism, in consultation with the New Zealand Ministry of Consumer Affairs.

We seek to improve **accessibility** by promoting the ACC and TDR dispute resolution schemes, making them easy to use and reducing cost barriers. We get good feedback on our website and our dedicated TDR website. All services are free to consumers.

Awareness of DRSL in the ACC scheme is 21% and 9% in the newly established TDR scheme. While our ability to influence awareness is limited, we constructively work with scheme sponsors to lift awareness.

Independence of decision makers is critical. In the ACC environment this is protected by legislation, even though ACC funds the review and appeal process. Reviewers employed or engaged by DRSL are required by law to make independent decisions. In the telecommunications environment the scheme rules and consumer representative Councillors provide an assurance of independent resolution of disputes.

Procedural **fairness** is similarly enshrined in the legislative obligations on reviewers in the ACC scheme and in the TDR scheme rules. Research shows 70% agree or strongly agree that the ACC process is fair and impartial, 89% agree or strongly agree that the reviewer was fair. Seventy-nine per cent of clients would strongly recommend the service to their family and friends. In the TDR scheme, 80% agree or strongly agree the outcome was fair, and 93% would strongly recommend the service to their family and friends.

Accountability is demonstrated by publishing as much information about determinations and operations as we are able. Under ACC legislation, and the TDR scheme rules, we are restricted to publishing anonymous determinations. The ACC scheme publicly accounts for its operations in an annual report to Parliament and the purpose of this report is to improve the transparency of DRSL operations. Regularly updated case studies are published on the TDR site. We regularly report to ACC and the TDR Council on systemic issues that could improve primary decision making, which could therefore help to avoid complaints and disputes.

Our future plans include providing more case studies on ACC matters to help inform parties in that environment. Complaint processes (for complaining about DRSL/TDR) are published on our websites.

Efficiency has been a constant focus for DRSL since inception. Few people enjoy disputes and fewer people enjoy paying for them. DRSL keeps track of complaints and disputes, ensuring they are dealt with by the appropriate process or forum and we regularly review our performance. In the last three years the median time for completing reviews has been tracking down, cost per dispute has been tracking down and productivity has been tracking up. We actively search for process and service improvements to continue these trends.

The last major independent review of **effectiveness** was commissioned by ACC in 2004 and reported comprehensively and favourably on DRSL. Two reviews are scheduled for 2010.

A review of the TDR scheme terms of reference is currently in development for action in early 2010, and the Government will commission an ACC

dispute resolution review once the ACC Stocktake is completed in 2010. DRSL is well placed for these reviews. It has regular annual external audits for ISO 9001 accreditation, financial health, legislative compliance and decision quality as well as Board governance, and monthly scheme performance oversight by ACC and the TCF (through its TDR Council).

While performing well against the benchmarks, we are not resting on our laurels. DRSL now has the opportunity to clearly demonstrate its robustness and resilience in light of the doubling of demand for its services just in the last 12 months. The extraordinary support and commitment of its staff and Board, clients and suppliers should leave no one in any doubt about its ability to respond positively to changes and challenges. I'm proud and privileged to be part of the DRSL service.



.....
Neil McKellar

“DRSL measures itself against the internationally recognised dispute resolution benchmark principles of accessibility, independence, fairness, accountability, efficiency and effectiveness.”

Our services

Facilitation and Mediation

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 a meeting.

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 'interpreter' 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.

Adjudication

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 will assess the dispute and deliver a fully reasoned written decision.

Complaint Management Systems

DRSL has experience with a wide range of industry complaint management systems. DRSL assesses existing complaint handling processes and evaluates their effectiveness, and has the ability to assess, design and implement the most appropriate system for an organisation or industry.

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

Consultancy

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.

This includes 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 trouble-shooting 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.

ACC

Accident Compensation Corporation

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 the past 10 years, competently negotiating 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 an ACC dispute are encouraged to try facilitation or mediation first, to try and 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 decision is binding and can only be appealed through the District Court.

The service is free to the claimant.

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

In the past three years the volume of ACC work coming to DRSL has increased by **38%**, however the cost per resolution has **decreased** by 7%.

In the same period DRSL reviewers have **increased productivity by over 28%**, completing more reviews per full-time equivalent position than ever before.

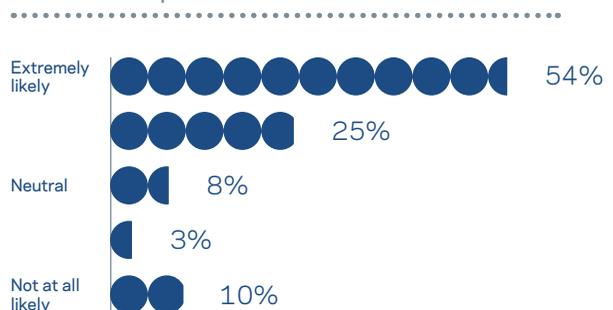
The review and mediation processes can be adversarial or result in a decision 'against' a complainant, so it can be difficult to assess customer satisfaction – the customer may have received good service but be unhappy about the outcome, for example, and express that as a negative experience. However, DRSL does offer a customer satisfaction survey to all people who have been through the ACC review or mediation process. In that research, 79% of respondents said they would be likely or very likely to refer friends to DRSL if they had a problem or dispute with ACC, or a work cover issue with an employer.

DRSL KEY CLIENT

Increased productivity by over 28%.

Customer satisfaction

Would you refer a friend to DRSL if they had a similar problem?



CASE STUDY

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

1 Is my injury covered by ACC?

What is – and isn't – an accident is tightly defined by the Injury Prevention, Rehabilitation, and Compensation Act 2001.

- An injury needs to be the result of an 'external force'. ACC decided not to pay for treatment of a person who, while making a bed, sneezed, and felt a sharp pain in their back. The person then came to DRSL to have the decision reviewed. When all of the information had been considered, the reviewer agreed that ACC did not have to cover the cost of the treatment, because the injury was not caused by an external force. The person's claim to have their treatment paid for by ACC was declined.

ACC also has to consider if a person's injuries are as a result of an accident, or if there is an underlying reason for an injury. ●

2 Why won't ACC pay for my surgery?

When surgery is required after an accident, ACC may cover all or part of the surgery costs. But sometimes it can be difficult to determine whether the need for surgery is a direct result of an accident.

Sometimes there are underlying medical issues that have caused the problem in the first place. ACC might not pay for surgery if the problem is, for example, a gradual process injury that isn't accident related, or a medical condition that isn't related to the accident.

- A woman hurt her arm when she was lifting a heavy object out of the boot of her car. She was referred to an orthopaedic surgeon, who recommended surgery. ACC decided there was no evidence the woman's condition was caused by an accident, and said there was no link between the need for surgery and the accident. Rather, it said the woman had a gradual process condition that had been discovered during the treatment for her accident, and that it would not pay for the surgery. The woman then applied for a review of that decision.

The reviewer said ACC didn't provide any explanation or support for its decision, and the information from the medical specialists was significant. The specialist said it was difficult to be certain of the cause of the woman's condition, but that based on the woman's history and symptoms, the surgery was probably required for an injury caused by the accident.

The reviewer overturned ACC's original decision and ordered that it cover the surgery and pay the woman \$550 in costs. ●



TDR

Telecommunication Dispute Resolution

DRSL is the Scheme Agent for the Telecommunication Dispute Resolution (TDR) service, which was established in 2007. TDR was initiated by the telecommunications 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.

DRSL also managed the design and content of the TDR brand and website. See www.tdr.org.nz

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**. In its first year of operation the call volumes were 40% higher than had been predicted by the industry, and the majority of calls were related to billing complaints – disputed amounts and responsibility for payment. There were also complaints about data usage, credit adjustment issues and account errors.

Awareness of the scheme continues to grow, as evidenced by increasing call volume and website traffic.

Research into customer satisfaction rates for TDR shows that **93% of people using the service would recommend it to their friends**. A further 90% said they were satisfied with how their complaint was handled, and 86% said the process overall was fair and impartial.

The TDR scheme is also tasked with identifying systemic issues in the telecommunications industry. TDR results show there are four areas of concern: complaint handling, contracts, damage to mobile phones, and problems for customers who are using more than one telecommunication provider.

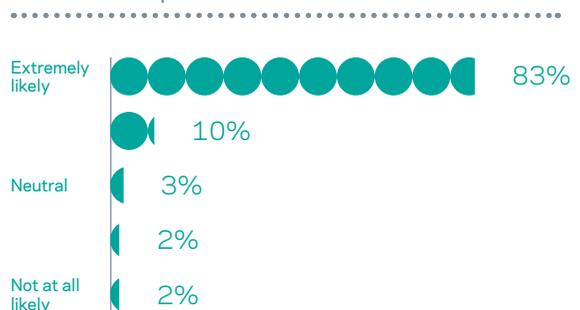
The TDR Council chairman David Russell said he was impressed with the management of the scheme. In the first TDR annual report he commented that DRSL was operating the scheme efficiently and fairly, which was evidenced by the very high recommendation rating.

DRSL KEY CLIENT

TDR covers 98% of New Zealand telecommunication consumers.

Customer satisfaction

Would you refer a friend to DRSL if they had a similar problem?



CASE STUDY

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

1 Take care when disposing of your old phone

● A young customer rang TDR to say that a provider had billed him for mobile phone charges incurred on a mobile phone he had thrown into a phone recycling bin. He said the phone had stopped working so he had got rid of it and was very surprised to receive a bill for calls and texts he had not made.

The provider investigated the matter and found that calls and texts had been made from the phone after the customer had disposed of it. The provider therefore believed the phone was still operable when it was thrown away.

The customer asked TDR if it could arrange for the provider to ring him when his father was with him and this was duly organised. The provider agreed to go 50/50 on the disputed charges and the customer agreed to be more careful about disposing of his phone in future!

Both parties (and the customer's father) were happy with this outcome. ●

2 0800 numbers Not always business as usual

● A small business customer offered a free 0800 number for his customers. The business ran a series of newspaper advertisements featuring the 0800 number. After a few days, and having received fewer calls than expected, the customer called his phone provider to check if there was a fault on the line.

Upon investigation it was found that there had indeed been a problem with the 0800 number, which the provider subsequently fixed. However the customer considered that he should be entitled to compensation for lost business and goodwill as well as reimbursement for the cost of the newspaper advertising. When his provider refused this, although it made an offer of a goodwill credit, he contacted TDR.

TDR explained the limitations of the Customer Complaints Code to the customer (the Code excludes awards for indirect losses and compensation). TDR asked the customer to provide his full complaint in writing, outlining precisely what he was seeking. The provider was also asked to provide its response in writing.

When the parties could not agree on a settlement at conciliation the matter was referred to an adjudicator for determination.

The adjudicator found that neither party could be expected to be aware of the problem until the customer brought the matter to the provider's attention. The adjudicator found that the fault had been repaired within an acceptable timeframe and that the terms and conditions (which the business customer had agreed to when he signed his contract for the service) stipulated that the provider was not liable to pay compensation. Because the provider had not acted outside the law or the Customer Complaints Code, the adjudicator found that the offer of goodwill was a sufficient remedy in the circumstances. The complaint was therefore not upheld. ●

HDC

Health and Disability Commissioner

DRSL provides mediation services to the Health and Disability Commissioner (HDC).

DRSL's mediation service means the HDC can offer mediation as a way of resolving disputes between health providers and consumers.

Mediation for the HDC is carried out in a similar way to other work conducted by DRSL mediators. The parties are contacted and agree to a time and venue. Sometimes, if it is appropriate, parties meet separately beforehand with the mediator (a pre-mediation caucus). 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. Following the mediation a brief report is provided to the HDC along with a copy of any signed Agreement.

The HDC believes mediation is a very effective way of resolving difficult and complex matters, and it gives the parties an opportunity to influence the outcome of a complaint, but has stated that it continues to be difficult to get people to agree to mediation. The HDC is now trying a new approach whereby consumers are asked to speak to a professional mediator about the process before indicating their views on being referred to mediation.

DRSL KEY CLIENT

The HDC can offer mediation as a way of resolving disputes between health providers and consumers.

“The HDC believes mediation is a very effective way of resolving difficult and complex matters.”

CASE STUDY

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

1 A rare illness

● A young man took ill and attended a nearby medical centre, was given medicine and sent home. Over the following few days he attended the same centre twice more, seeing a different doctor each time and, each time, leaving with medication for a commonplace complaint. A few days later he attended a different centre and was immediately taken to a nearby hospital by ambulance, where he died the next day. His death was the result of a rare and virulent condition.

A member of his family lodged a complaint with the HDC, and mediation was suggested. The family and the administrator of the medical centre agreed to mediation. The three doctors who had seen the young man also agreed to attend.

At mediation some hard questions were asked and strong emotions were aired. It was agreed that the medical centre would invite a senior family member to become part of a regular review panel and to meet regularly with the administrator. It was further agreed that contributions, both from the centre and from individual doctors, would be made towards a headstone for the young man.

Many HDC claimants fully recognise that their loved one cannot be returned but hope to ensure “no-one else has to go through a similar process”. ●



Customer feedback

The processes DRSL is involved in 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 meticulous about collecting customer feedback. It works on the principle that 'if it can't be measured it can't be managed'. DRSL provides every consumer that

uses its services the opportunity to provide customer feedback via consumer surveys. These are both paper-based and available online through the company's websites.

DRSL also collects feedback from its clients – the companies that use its services. Although often bound by legislation and other formal requirements, DRSL staff take pride in being compassionate and sensitive, as well as fair, and this approach is endorsed by the often unprompted feedback that DRSL receives.

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

"I believe 100% that had this service not been available I would have still been battling on with no possibility of resolution. This belief is based on my dealings with Y when the issue first started in mid-December." **TDR CUSTOMER**

"A (the reviewer) was impartial and calm. B had felt a lot of stress regarding this matter but A's manner was so good that she felt more relaxed." **CLAIMANT**

"The decision was logical and well reasoned. It was also a triumph of common sense."

ACC STAFF MEMBER

"Thank you B, it was a joy to have dialogue with you. But most importantly it was also about your skills in assessing, understanding and planning an outcome that both parties were able to discuss and resolve. It is without doubt that your quiet and analytical attitude to the issues that I thought skewed to include racial dysfunction was not an issue and this attitude played a major part in the outcome. For you, so many thanks from the whanau. Nga mihi mahana (warm blessings)!"

TDR CUSTOMER

"... the professionalism and thoroughness of everyone at Dispute Resolution Services is sincerely appreciated. We can see a lot of time and energy was put into our case. C was especially attentive and took the time to listen and understand the whole case.

Dad is well on the way to a full recovery and with the means to continue treatment they do not have any unnecessary stress. Thank you from the whole family." **CLAIMANT**

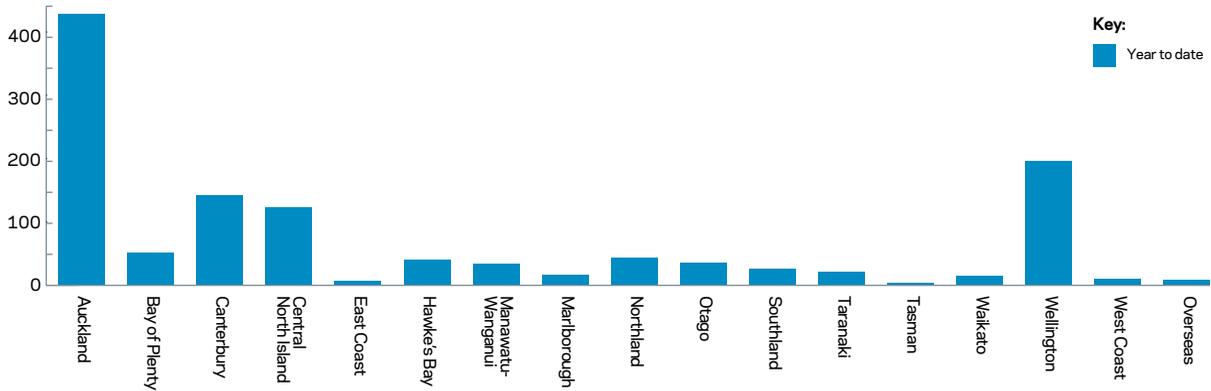
"... would like to convey to E her deep appreciation of his compassion and sensitivity. Although very vulnerable, she felt at last she was heard and thanks him sincerely for his understanding." **CLAIMANT LAWYER**

"Had a review yesterday in Masterton with D. I thought she handled the review very well, understood the subject matter well, and I got the strong impression that my arguments were listened to and absorbed. I am expressing this (objectively) before getting the review decision!" **ACC STAFF MEMBER**

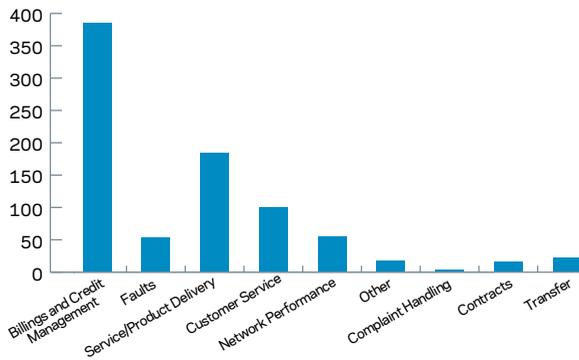


Statistics

TDR issues by location 2008



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.

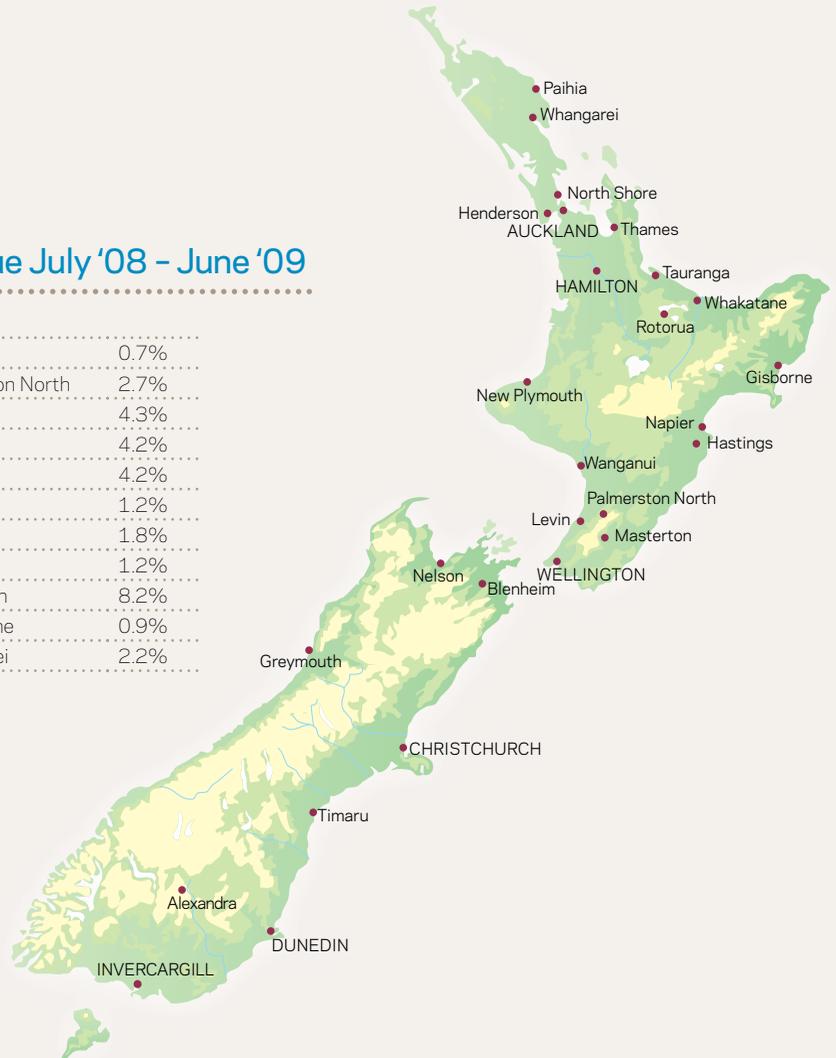
Customer service and faults have the next highest complaint levels, including long wait times, and slow or no responses to customer requests. Equipment failure is the most common cause of faults complaints.

“93% of calls to TDR are answered (by a real person) within 20 seconds or less.”

Numbers

ACC review hearings by venue July '08 – June '09

Alexandra	1%	Paihia	0.7%
Auckland	17%	Palmerston North	2.7%
Blenheim	1%	Rotorua	4.3%
Christchurch	15%	Takapuna	4.2%
Dunedin	4%	Tauranga	4.2%
Gisborne	1%	Thames	1.2%
Greymouth	1%	Timaru	1.8%
Hamilton	7%	Wanganui	1.2%
Hastings	2%	Wellington	8.2%
Henderson	2%	Whakatane	0.9%
Invercargill	3%	Whangarei	2.2%
Levin	1%		
Masterton	1%		
Napier	2%		
Nelson	2%		
New Plymouth	2%		
On the Papers	5%		



DRSL (ACC) matters received July '08 – June '09



There was a sustained step change in the numbers of review applications in March 2009. Review numbers may increase further as ACC continues to implement changes that affect claimants' access to treatment, rehabilitation, and compensation. By September 2009 the number of applications had reached nearly 1000 per month (nearly double the number received six months ago).

About DRSL

A little history

Dispute Resolution Services began life as a division of the New Zealand Government-owned Accident Compensation Corporation (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.

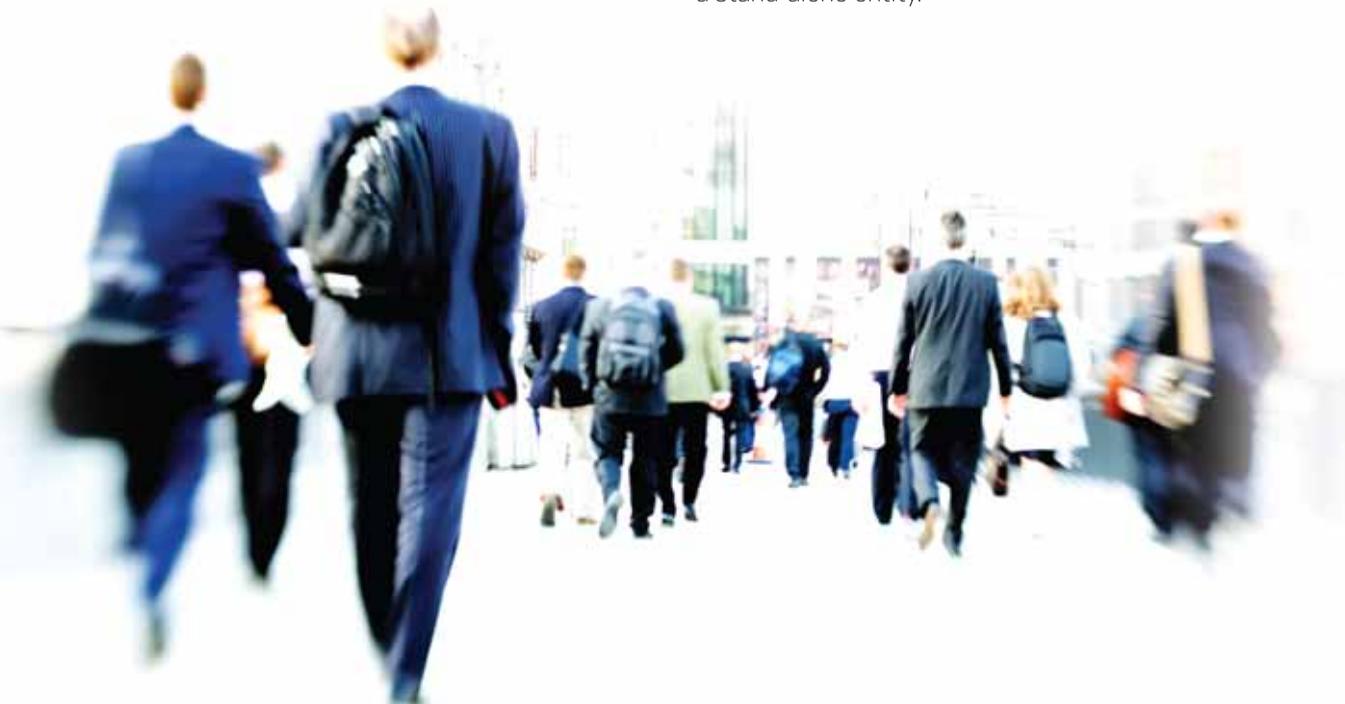
At that time, the ACC Board decided it was no longer appropriate for the review service to be part of the ACC organisation, so Dispute Resolution

Services was born as an independent, stand-alone entity offering ACC Reviews and other dispute resolution services to the wider public and private sector market.

Though Dispute Resolution Services remains wholly owned by ACC, this company is totally independent of the Corporation and is guaranteed total independence in carrying out its functions, whether 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.

ACC originally established DRSL in 1999, when it went from being an in-house ACC service to a stand-alone entity.



We are celebrating our **10th birthday** this year!

DRSL Board

Dr Marie Bismark (chair)

Marie is a Senior Associate with Buddle Findlay's health law team, and a registered medical practitioner. She serves on the ACC Board and the Ministerial Panel on Veterans' Health, and is a member of The Institute of Directors.

Gavin Adlam

Gavin runs his own independent legal practice in Wellington, specialising in commercial and business law. He has been on the DRSL Board since 1 October, 2000.

Wendy Davis

Wendy is a specialist family lawyer practising in Wellington. She also has a background in employment law and has a particular interest in mediation and alternative dispute resolution generally.

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.

DRSL people

Neil McKellar

Chief Executive

Anne Scragg

Manager, ACC

Derek Pullen

Manager, TDR

Paul King

Manager, Client and Business Development

Katrina Leather

Manager, HR

We have offices in Auckland,
Wellington and Christchurch.



Financial statements for the year ended 30 June 2009

Income statement

For the year ended 30 June 2009

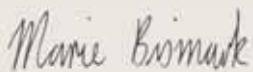
	2009	2008
	\$000	\$000
Total income	10,769	8,406
Expenditure		
Employee Benefit Expense	(4,238)	(3,543)
Other	(4,757)	(4,120)
Total expenditure	(8,995)	(7,672)
Operating surplus before tax	1,774	734
Income tax expense	(529)	(235)
Net surplus attributable to equity holders of the company	1,245	499

Balance sheet

As at 30 June 2009

	2009	2008
	\$000	\$000
Current assets		
Cash and cash equivalents	1,584	646
Trade and other receivables	2,841	2,400
Total current assets	4,425	3,046
Total non-current assets	952	846
Total assets	5,377	3,892
Total current liabilities	1,850	1,225
Total non-current liabilities	453	838
Total liabilities	2,303	2,063
Net assets	3,074	1,829
Equity		
Share capital	400	400
Retained surpluses	2,674	1,429
Total equity attributable to equity holders of the company	3,074	1,829

These Summary Financial Statements were authorised for issue by the Board of Directors on 30 October 2009. For and on behalf of the Board



Dr Marie Bismark Board Chair



Gavin Adlam Board Member

Statement of cash flows

For the year ended 30 June 2009

	2009	2008
	\$000	\$000
Net cash inflow from operating activities	1,526	559
Net cash (outflow) from investing activities	(388)	(692)
Net cash (outflow) from financing activities	(200)	-
Net (decrease) increase in cash and cash equivalents	938	(133)
Cash and cash equivalents at beginning of year	646	779
Cash and cash equivalents at end of the year	1,584	646

Statement of changes in equity

For the year ended 30 June 2009

	2009	2008
	\$000	\$000
Share capital		
Balance as at 30 June	400	400
Retained surpluses		
Balance as at 1 July	1,429	930
Surplus for the year	1,245	499
Balance as at 30 June	2,674	1,429
Total equity attributable to equity holders of the company	3,074	1,829

Note 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 purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

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 23 September 2009 and have been audited by B R Penrose 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/>.



**TO THE READERS OF
DISPUTE RESOLUTION SERVICES LIMITED'S
SUMMARY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

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 23 September 2009.

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.

A handwritten signature in blue ink that reads "B R Penrose".

B R Penrose

Ernst & Young

On behalf of the Auditor-General

Wellington, New Zealand

30 October 2009

