

SPELD New Zealand Inc

Performance Report

For the year ended
31 March 2017

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SPELD New Zealand Inc

Entity Information

"Who are we?", "Why do we exist?"

For the year ended
31 March 2017

Legal Name of Entity:*	SPELD New Zealand Incorporated
Other Name of Entity (if any):	SPELD NZ Inc
Type of Entity and Legal Basis (if any):*	Incorporated Society
Registration Number:	CC46602 Inc Soc 212626

Entity's Purpose or Mission: *

SPELD NZ's vision is to meet the learning needs of those with specific learning disabilities (SLD), like dyslexia. Our Mission is to build a strong organisation to effectively advocate, assess, teach and promote best practise, to enable the learning needs of those with SLD to be met. We assist children and adults with literacy and numeracy deficits caused by SLD, to gain the necessary skills to function well in a literacy-based society. Initially it is the student and the family/whanau who gain, but ultimately the whole community benefits. As a Not for Profit we try to keep our services as affordable and accessible to our members. We fundraise to provide subsidies for those who otherwise could not afford to have a SPELD NZ diagnostic assessment or remediation. We are research based and aim to constantly improve our training for assessors, teachers (who may become specialised SPELD NZ teachers), parents, whanau and others interested in SLD. We provide Level 3 and Level 5 NZQA-approved courses, and also training for C grade assessors (not an NZQA approved course). We aspire to high standards of ongoing professional development for our Professionals' certification and re-certification requirements. We aim to improve awareness and recognition (in the community and amongst education providers), of the effects of SLD and the benefits of our research-based remediation. We are improving our services to ensure we can meet the needs of adults, and Maori and Pacifica families and for families in more rural areas. Our consolidation in 2012 ensures that the same quality and range of services is provided NZ wide.

Entity Structure: *

SPELD NZ is a registered charity made up of three regions which encompass the whole of NZ. Each region is administered by a paid Regional Officer who reports to the Executive Officer, who runs the National Office in Auckland. The Executive Officer reports to a Board which is made up of a mix of parents and SPELD NZ teacher or assessor professionals. There are several sub-committees of the Board including a Professional Standards Committee. This committee advises on professional development, over-sees training and courses and other professional registration matters.

Main Sources of the Entity's Cash and Resources: *

Grants and Donations, revenue from courses, workshops and conferences, revenue from investments, revenue from membership

Main Methods Used by the Entity to Raise Funds: *

Applications to applicable fund providers, Lotteries etc., revenues from courses, workshops and conferences

Entity's Reliance on Volunteers and Donated Goods or Services: *

Volunteer time, and some donation of goods and services, play a large part in SPELD NZ's organisation. As we receive no government funding, a large part of our service relies on volunteers. Our Board and Professional Standards Committee members are all unpaid. Each SPELD NZ region has Local Liaison Groups which organise local activities (meetings for professional development and collegiality); facilitate communication between parents, teachers and other professionals through meeting records sent to the Board and the Regional Officer; provide mentoring to probationary teachers, and arrange for placement of students with teachers. The teacher and assessor professionals and interested parents give time to Local Liaison Group activities, wanting to improve outcomes for individuals with SLD. We have libraries for our members that are manned by volunteers. At a local level fundraising information is gathered by volunteers who liaise with our Fundraising Officer.

SPELD New Zealand Inc

Entity Information


"Who are we?", "Why do we exist?"

For the year ended
31 March 2017

Additional Information:*

Our values: *Professionalism:* Always striving for best practice: Our services and personnel are professional and bound by our code of ethics; Our services are research-based; *Opportunity:* Assessment and intervention make positive life changing differences for learners; *Respect:* We invest in quality relationships with students, whanau, family, teachers and schools; *Equity:* Everyone has a right to the educational support they need to succeed. **Outcomes:** After intervention: learners with SLD stay in school longer; have improved self-esteem; more progress to tertiary education; have a reduction in levels of under achievement; and have better employment opportunities , benefiting the individual and the community.



Contact details

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	SPELD New Zealand

SPELD New Zealand Inc
Statement of Service Performance
 "What did we do? When did we do it?"
 For the year ended
 31 March 2017

Description of the Entity's Outcomes*:
 Outcomes: SLD learners stay in school longer, and leave school with positive self-esteem and as successful learners; and there is a reduction in individual levels of underachievement ie each student reaches their individual potential.

Description and Quantification (to the extent practicable) of the Entity's Outputs:*	Actual*	
	This Year	Last Year
Conference/Workshops delivered revenue \$	85,503	10,646
Conference/Workshops delivered expenditure \$	87,188	9,733
Course delivery revenue \$	105,119	73,626
Course delivery expenditure \$	58,676	44,989
Courses delivered for the academic year January to December:	2016	2015
SPELD NZ Certificate in Specific Learning Disabilities Level 5 NZQA	1 Block, 2 Online	2 Block, 1 Online
SPELD NZ Introduction to Specific Learning Disabilities Level 3 NZQA	8 x Intro 2 day courses	5 x Intro 2 day courses
SPELD NZ Assessor Course	1	Nil
	2016	2015
Number of members who received services (1 January to 31 December)	1,988	1,937

Signed: 
 Signed: 

Chair
 Vice Chair

Date: 18/8/2017

SPELD New Zealand Inc
Statement of Financial Performance
"How was it funded?" and "What did it cost?"
For the year ended
31 March 2017

	Note	Actual* This Year \$		Actual* Last Year \$
Revenue				
Grants from Community Trusts, Councils and Other Charitable Funders	1,9	220,965		202,656
Donations, fundraising and other revenue*	1,9	67,474		70,043
Fees, subscriptions from members*	1	136,902		126,726
Revenue from providing goods or services*	1	195,310		90,100
Interest, dividends and other investment revenue*	1	23,649		24,605
Other revenue	1	6,846		2,900
Total Revenue*		651,146	-	517,030
Expenses				
Expenses related to public fundraising*	2	-		-
Volunteer and employee related costs*	2	309,479		291,282
Costs related to providing goods or services*	2	181,120		71,291
Grants made to assist students*	2	50,342		41,364
Other expenses	2	111,301		129,648
Total Expenses*		652,242	-	533,585
Surplus/(Deficit) for the Year*		(1,096)	-	(16,555)

SPELD New Zealand Inc
Statement of Financial Position
 "What the entity owns?" and "What the entity owes?"
 As at
 31 March 2017

	Note	Actual* This Year \$		Actual* Last Year \$
Assets				
Current Assets				
Bank accounts and cash*	3	551,352		555,230
Debtors and prepayments*	3	300		1,357
Other current assets	3	59,058		61,684
Total Current Assets		610,710	-	618,271
Non-Current Assets				
Property, plant and equipment*	4	802		1,400
Investments*	3	35,000		35,000
Total Non-Current Assets		35,802	-	36,400
Total Assets*		646,512	-	654,671
Liabilities				
Current Liabilities				
Bank overdraft*				-
Creditors and accrued expenses*	3	19,880		23,602
Employee costs payable*	3	39,714		28,391
Unused donations and grants with conditions*	3,9	104,646		109,086
Unused regional funds with conditions	3	-		7,598
Other current liabilities	3	59,058		61,684
Total Current Liabilities		223,298	-	230,361
Non-Current Liabilities				
Loans*				
Other non-current liabilities				
Total Non-Current liabilities		-	-	-
Total Liabilities*		223,298	-	230,361
Total Assets less Total Liabilities (Net Assets)*		423,214	-	424,310
Accumulated Funds				
Capital contributed by owners or members*		-		-
Accumulated surpluses or (deficits)*		423,214		424,310
Reserves and Exceptional items		-		-
Total Accumulated Funds*		423,214	-	424,310

SPELD New Zealand Inc
Statement of Cash Flows
"How the entity has received and used cash"
For the year ended
31 March 2017

	Actual* This Year \$		Actual* Last Year \$
Cash Flows from Operating Activities*			
Cash was received from:			
Donations, fundraising and other similar receipts *	290,154		278,898
Fees, subscriptions and other receipts from members *	137,959		125,744
Receipts from providing goods or services *	196,000		90,100
Interest, dividends and other investment receipts *	23,649		24,605
Cash was applied to:			
Payments to suppliers and employees *	601,298		504,567
Donations or grants paid *	50,342		41,364
Net Cash Flows from Operating Activities*	(3,878)	-	(26,584)
Cash flows from Investing and Financing Activities*			
Cash was received from:			
Receipts from the sale of property, plant and equipment *	-		-
Cash was applied to:			
Payments to acquire property, plant and equipment *	-		1,151
Net Cash Flows from Investing and Financing Activities*	-	-	(1,151)
Net Increase / (Decrease) in Cash*	(3,878)	-	(27,735)
Opening Cash*	555,230		582,965
Closing Cash*	551,352	-	555,230
This is represented by:			
Bank Accounts and Cash *	551,352	-	555,230

SPELD New Zealand Inc
Statement of Accounting Policies
"How did we do our accounting?"
For the year ended
31 March 2017

Basis of Preparation*

SPELD New Zealand Inc has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

Goods and Services Tax (GST)*

All amounts are recorded exclusive of GST, except for Debtors and Creditors which are stated inclusive of GST.

Income Tax

SPELD New Zealand Inc is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

Bank Accounts and Cash

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including term deposits) with original maturities of 12 months.

Investments

Shares in unlisted investment fund have been valued at cost.

Property Plant & Equipment

Property Plant & Equipment is recorded at cost less accumulated depreciation. Depreciation rates used allow allocation of the cost over the estimated useful lives of the asset.

The following depreciation rates are used:

Office Equipment 30% DV

Computer Equipment 33% - 60% DV

Receivables

Receivables are stated at cost and restated at estimated realisable value if any impairment has occurred.

Revenue and Expenses

Interest income is recorded using the effective interest rate method. Dividend income is recognised when received.

Grants and donations are recognised when they are received unless there are conditions attached, a requirement to refund unspent amounts and the conditions have not been met. Grants with conditions attached that have not been met at balance date are carried forward as unspent grants in the balance sheet. Grant with conditions that have been met are recorded in the Statement of Financial Performance at the time the conditions have been met.

Expenditure is recorded when a contractual obligation to pay is established (on an accruals basis).

Tier 2 PBE Accounting Standards Applied*

There have been no Tier 2 Accounting Standards used in preparation of these financial statements.

Changes in Accounting Policies*

There have been no changes in accounting policies during the financial year (last year - nil)

SPELD New Zealand Inc
Notes to the Performance Report
For the year ended
31 March 2017

Note 1 : Analysis of Revenue

Revenue Item	Analysis	This Year \$	Last Year \$ Restated
Grants revenue recognised in the year. Refer Note 9	Canterbury Community Trust	-	3,574
	COGS	54,050	23,355
	Community Trust of Southland	3,520	
	Duncan Bickley Trust	-	500
	Eastern & Central Community Trust	2,680	
	Guardian - Gwen Rogers	-	2,700
	Hutt Mana Charitable Trust	1,489	-
	Invercargil Licensing Trust	827	
	JN & HB Williams	-	3,390
	Lion Foundation	19,732	27,795
	Lott, John Charitable Trust	848	652
	Lotteries Grants Board	98,023	92,530
	L W Nelson	3,216	
	Mana Community Grants	-	160
	Manchester Trust	-	3,508
	Mary Lloyd Trust	-	8,079
	Mt Wellington Foundation	3,420	
	Norah Howell Charitable Trust	-	3,000
	Rata Foundation	11,790	8,415
	Redwood Trust	2,500	-
	Riley Trust	-	10,310
	Sky City	10,000	-
	Sutherland Self Help Trust	5,000	-
	T & G McCarthy Trust	600	978
	Trust Community Foundation	120	12,430
	Vernon Hall Trust	-	500
	Wellington Childrens Foundation	3,000	
	Winston & Margaret Bear perpetual interest	-	780
	Betty Campbell Accom Assistance	150	-
	Total		220,965

Revenue Item	Analysis	This Year \$	Last Year \$ Restated
Donations and other similar revenue. Refer Note 9	Donations from Friends of SPELD	3,280	4,040
	Donations other	64,194	66,003
	Total	67,474	70,043

SPELD New Zealand Inc
Notes to the Performance Report
For the year ended
31 March 2017

Note 1 : Analysis of Revenue

Revenue Item	Analysis	This Year	Last Year
		\$	\$
Fees, subscriptions and other revenue from members	Annual membership fees - renewals	77,978	68,923
	Annual membership fees - new members	58,924	57,803
	Total	136,902	126,726

Revenue Item	Analysis	This Year	Last Year
		\$	\$
Revenue from providing goods or services	Conference, Seminars, Workshops and AGM	85,503	10,646
	Courses	105,120	73,626
	Resources	-	941
	Standards income	4,687	4,887
Total		195,310	90,100

Revenue Item	Analysis	This Year	Last Year
		\$	\$
Interest, dividends and other investment revenue	Dividends received	8,470	7,590
	Interest received	15,179	17,015
Total		23,649	24,605

Revenue Item	Analysis	This Year	Last Year
		\$	\$
Other revenue	Sundry income	6,846	2,900
	Tagged funds not previously recognised	-	-
Total		6,846	2,900

SPELD New Zealand Inc
Notes to the Performance Report
For the year ended
31 March 2017

Note 2 : Analysis of Expenses

Expense Item	Analysis	This Year \$	Last Year \$
Expenses related to public fundraising. SPELD does not undertake public fundraising	Nil	-	-
	Total	-	-

Expense Item	Analysis	This Year \$	Last Year \$
Volunteer and employee related costs	Salaries & Wages	286,788	279,636
	Travel & Accomodation	10,481	11,646
	Holiday Pay	12,210	-
	Total	309,479	291,282

Expense Item	Analysis	This Year \$	Last Year \$
Costs related to providing goods or services	Course Expenses	58,676	44,989
	Conference, Seminars, Workshops and AGM	87,188	9,733
	Resources	34,900	16,533
	Standards	356	36
	Total	181,120	71,291

Expense Item	Analysis	This Year \$	Last Year \$
Grants made to assist students	Financial Assistance Projects	50,342	41,364
	Total	50,342	41,364

Expense Item	Analysis	This Year \$	Last Year \$
Other expenses	ACC Expense	1,018	1,619
	Advertising	12,130	9,572
	Audit fees	5,470	4,210
	Bank charges	40	204
	Cleaning	2,340	2,280
	Computer charges	5,995	8,162
	Depreciation	598	598
	Electricity	3,476	3,007
	Insurance	10,141	18,197
	Office supplies	1,534	2,668
	Printing, postage & stationery	5,710	10,108
	Professional development	1,402	530
	Rent	44,184	43,584
	Subscriptions	50	200
	Telephone	6,026	7,131
	Sundry expenses	11,187	17,578
Total		111,301	129,648

SPELD New Zealand Inc
Notes to the Performance Report
For the year ended
31 March 2017

Note 3 : Analysis of Assets and Liabilities

Asset Item	Analysis	This Year \$	Last Year \$
Bank accounts and cash	ASB Cheque	18,279	6,827
	ASB Term Deposits 72, 73 and 74	250,865	243,232
	ASB Saver Accounts 50, 51, 52 and 53	282,208	305,171
	Total	551,352	555,230

Asset Item	Analysis	This Year \$	Last Year \$
Debtors and prepayments	Prepayments	-	-
	Accounts receivable	300	1,357
	Total	300	1,357

Asset Item	Analysis	This Year \$	Last Year \$
Investments	Shares in unlisted investment fund	35,000	35,000
Total		35,000	35,000

Asset Item	Analysis	This Year \$	Last Year \$
Other current assets	Student fees receivable - Public Trust	59,058	61,684
Total		59,058	61,684

Liability Item	Analysis	This Year \$	Last Year \$
Creditors and accrued expenses	Accounts payable	5,947	4,889
	GST payable	13,933	18,713
	Total	19,880	23,602

Liability Item	Analysis	This Year \$	Last Year \$
Employee costs payable	Paye and kiwisaver	5,131	6,021
	Annual leave accrual	34,583	22,370
	Total	39,714	28,391

SPELD New Zealand Inc
Notes to the Performance Report
For the year ended
31 March 2017

Note 3 : Analysis of Assets and Liabilities

Liability Item	Analysis	This Year \$	Last Year \$ Restated
Unused grants with conditions Refer Note 9	Canterbury Community Trust	-	7,827
	COGS	21,301	30,143
	Community Trust of Southland	4,480	-
	Eastern & Central CT	4,320	7,000
	Hawkes Bay Foundation	3,000	
	Hutt Mana Charitable Trust	511	2,000
	Invercargill Licensing Trust	1,673	2,500
	Lion Foundation	15,319	5,051
	Lott, John Charitable Trust	-	848
	Lotteries Grant	34,587	7,470
	Pub Charity Lottery 90 and 94	-	25,140
	Rata Foundation	6,622	10,585
	Redwood Trust	-	2,500
	T & G McCarthy Trust	12,303	7,902
	Trust Community Foundation	-	120
	Other	530	-
Total		104,646	109,086

Liability Item	Analysis	This Year \$	Last Year \$
Unused regional funds tagged for specific purposes. As a result of amalgamation of SPELD branches, funds held by these branches were transferred to SPELD NZ. These funds are held until they are spent on regional items, then they are transferred to revenue.	Auckland	-	-
	Gisborne	-	180
	Hawkes Bay	-	854
	Wellington	-	1,305
	Bay of Islands	-	2,375
	Manukau	-	1,680
	Nelson	-	1,204
Total		-	7,598

Liability Item	Analysis	This Year \$	Last Year \$
Other current liabilities	Student fees income in advance - Public Trust	59,058	61,684
Total		59,058	61,684

SPELD New Zealand Inc
Notes to the Performance Report
For the year ended
31 March 2017

Note 4 : Property, Plant and Equipment

This Year					
Asset Class*	Opening Carrying Amount*	Purchases	Sales / Disposals	Current Year Depreciation and Impairment*	Closing Carrying Amount*
Office equipment*	28			12	16
Computers (including software)*	833			386	447
Furniture and fixtures*	539			200	339
Total	1,400	-	-	598	802

Last Year					
Asset Class*	Opening Carrying Amount*	Purchases	Sales / Disposals	Current Year Depreciation and Impairment*	Closing Carrying Amount*
Office equipment*	40			12	28
Computers (including software)*	68	1,151		386	833
Furniture and fixtures*	739			200	539
Total	847	1,151	-	598	1,400

Significant Donated Assets Recorded - Source and Date of Valuation*

No significant donated assets have been received or recorded

Significant Donated Assets - Not Recorded*

No significant donated assets have been received or recorded

SPELD New Zealand Inc
Notes to the Performance Report
For the year ended
31 March 2017

Note 5: Accumulated Funds

This Year				
Description*	Capital Contributed by Owners or Members*	Accumulated Surpluses or Deficits*	Reserves*	Total*
Opening Balance	-	424,310	-	424,310
Capital contributed by owners or members*	-			-
Capital returned to owners or members*	-			-
Surplus/(Deficit)*		(1,096)		(1,096)
Distributions paid to owners or members*		-		-
Transfer to Reserves*		-	-	
Transfer from Reserves*		-	-	
Closing Balance	-	423,214	-	423,214

Last Year		Note 9		
Description*	Capital Contributed by Owners or Members*	Accumulated Surpluses or Deficits*	Reserves*	Total*
Opening Balance	-	440,865	-	440,865
Capital contributed by owners or members*				-
Capital returned to owners or members*				-
Surplus/(Deficit)*		(16,555)		(16,555)
Distributions paid to owners or members*		-		-
Transfer to Reserves*		-	-	
Transfer from Reserves*		-	-	
Closing Balance	-	424,310	-	424,310

SPELD New Zealand Inc
Notes to the Performance Report
For the year ended
31 March 2017

Note 6 : Commitments and Contingencies

Commitment*	Explanation and Timing*	At balance date	At balance date
		This Year*	Last Year*
		\$	\$
Commitments to lease or rent assets*	Due within one year	24,727	28,789
	Due from 1 to 5 years	76,178	14,833
	Due after 5 years	9,000	
	Total commitments	109,905	43,622
Commitment to purchase property, plant and equipment*		-	-
Commitments to provide loans or grants*		-	-

Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at balance date (Last Year - nil)

Note 7: Other

Related Party Disclosures:

There were no transactions involving related parties during the financial year. (Last Year - Nil)

Note 8: Events After the Balance Date*

Events After the Balance Date:

There were no events that have occurred after the balance date that would have a material impact on the Performance Report. (Last Year Nil)

Note 9: Prior Year Adjustment

Prior Year Adjustment:

During the year and error was identified in relation to the financial year ended 31 March 2016. In that year Revenue was understated and Revenue in Advance was overstated by \$54,954. As a result a deficit reported in 2016 of \$71,509 has now been restated to \$16,555. The error arose as a result of a misinterpretation of new accounting standards applied for the first time in 2016. The prior period amounts have been adjusted as follows:

Income & Expenditure	Revenue	
Revenue from Grants reported in FY 2016	168,853	
Adjustment for grants incorrectly carried forward	33,803	
Revenue from Grants restated	202,656	
Revenue from Donations reported in FY 2016	48,892	
Adjustment for donations incorrectly carried forward	21,151	
Revenue from Donations restated	70,043	
Balance Sheet	Grants in Advance	Deficit for 2016
Grants in Advance reported in FY 2016	164,041	(71,509)
Adjustment for grants incorrectly carried forward	(54,954)	54,954
Grants in Advance restated	109,087	(16,555)

SPELD New Zealand Incorporated

Independent auditor's report to the Members

Report on the Performance Report

Opinion

We have audited the performance report of SPELD New Zealand Incorporated (the entity), which comprises the entity information, the statement of service performance, the statement of financial performance and statement of cash flows for the year ended 31 March 2017, the statement of financial position as at 31 March 2017, and the statement of accounting policies and other explanatory information.

In our opinion:

- a) the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are suitable;
- b) the accompanying performance report gives a true and fair view of:
 - i. the entity information for the year then ended;
 - ii. the service performance for the year then ended; and
 - iii. the financial position of SPELD New Zealand Incorporated as at 31 March 2017 and of its financial performance, and cash flows for the year then ended

in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board.

We conducted our audit of the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)), and the audit of the entity information and statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised).

Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Performance Report section of our report. We are independent of SPELD New Zealand Incorporated in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, SPELD New Zealand Incorporated.

CHARTERED ACCOUNTANTS & ADVISORS

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Audit Limited

Responsibilities of the Board of Directors for the Performance Report

The Board of Directors are responsible for:

- a) Identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;
- b) the preparation of a performance report on behalf of the entity that gives a true and fair view, which comprises:
 - the entity information;
 - the statement of service performance; and
 - the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance reportin accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board, and
- c) for such internal control as the Board determine is necessary to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

In preparing the performance report, the Board are responsible on behalf of SPELD New Zealand Incorporated for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intend to liquidate SPELD New Zealand Incorporated or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the performance report is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this performance report.

As part of an audit in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the performance report, 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.
- 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on SPELD New Zealand Incorporated'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 performance report 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 entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the performance report, including the disclosures, and whether the performance report represents the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures to obtain evidence about and evaluate whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

We communicate with the Board 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. The engagement director on the audit resulting in this independent auditor's report is Alison M. Anderson.

William Buck Christmas Gouland

William Buck Christmas Gouland Audit Limited

Auckland
22 August 2017