

SPELD New Zealand Inc

Performance Report

For the year ended
31 March 2019

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SPELD New Zealand Inc

Entity Information

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

For the year ended
31 March 2019

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

SPELD New Zealand Inc

Entity Information

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

**For the year ended
31 March 2019**

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 2019

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 NZ

SPELD New Zealand Inc
Statement of Service Performance
 "What did we do?", When did we do it?"
 For the year ended
 31 March 2019

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.
 Teachers and Assessors are better equipped to support individuals with SLD.

Description and Quantification (to the extent practicable) of the Entity's Outputs:*	Actual*	Actual*
	This Year	Last Year
Workshops delivered revenue \$.	13,384	39,956
Workshops delivered expenditure \$.	11,365	21,885
Course delivery revenue \$	115,763	121,061
Course delivery expenditure \$	104,274	68,213
Courses delivered for the academic year January to December:	2018	2017
SPELD NZ Certificate in Specific Learning Disabilities Level 5 NZQA	1 Online	1 Online
SPELD NZ Introduction to Specific Learning Disabilities Level 3 NZQA	10 x Intro 2 day courses	7 x Intro 2 day courses
SPELD NZ Assessor Course	1	1
Number of members who received services (1 January to 31 December)	2018 2,420	2017 2,192

Signed: 

Chair

Signed: 

Vice Chair

Date: 23 August 2019

SPELD New Zealand Inc
Statement of Financial Performance
 "How was it funded?" and "What did it cost?"
 For the year ended
 31 March 2019

	Note	Actual* This Year \$		Actual* Last Year \$
Revenue				
Grants from Community Trusts, Councils and Other Charitable Funders	1	275,212		248,303
Donations, fundraising and other revenue*	1	73,738		78,734
Fees, subscriptions from members*	1	126,919		126,710
Revenue from providing goods or services*	1	134,156		166,207
Interest, dividends and other investment revenue*	1	24,190		24,050
Other revenue	1	416		2,438
Total Revenue*		634,631		646,442
Expenses				
Expenses related to public fundraising*	2	-		-
Volunteer and employee related costs*	2	337,980		321,923
Costs related to providing goods or services*	2	155,536		108,710
Grants and Donations made to assist students*	2	58,714		66,310
Other expenses	2	124,355		134,635
Total Expenses*		676,585		631,578
Surplus/(Deficit) for the Year*		(41,954)		14,864

SPELD New Zealand Inc
Statement of Financial Position
"What the entity owns?" and "What the entity owes?"
As at
31 March 2019

	Note	Actual* This Year \$		Actual* Last Year \$
Assets				
Current Assets				
Bank accounts and cash*	3	729,276		663,927
Debtors and prepayments*	3	1,673		811
Other current assets	3	43,600		74,088
Total Current Assets		774,549	-	738,826
Non-Current Assets				
Property, plant and equipment*	4	6,582		1,044
Investments*	3	35,000		35,000
Total Non-Current Assets		41,582	-	36,044
Total Assets*		816,131	-	774,870
Liabilities				
Current Liabilities				
Bank overdraft*		-		-
Creditors and accrued expenses*	3	14,115		30,921
Employee costs payable*	3	61,529		51,041
Unused donations and grants with conditions*	3	300,766		180,745
Unused regional funds with conditions	3	-		-
Other current liabilities	3	43,600		74,088
Total Current Liabilities		420,010	-	336,795
Non-Current Liabilities				
Loans*		-		-
Other non-current liabilities		-		-
Total Non-Current liabilities		-	-	-
Total Liabilities*		420,010	-	336,795
Total Assets less Total Liabilities (Net Assets)*		396,121	-	438,075
Accumulated Funds				
Capital contributed by owners or members*		-		-
Accumulated surpluses or (deficits)*		396,121		438,075
Reserves and Exceptional items		-		-
Total Accumulated Funds*		396,121	-	438,075

SPELD New Zealand Inc
Statement of Cash Flows
"How the entity has received and used cash"
For the year ended
31 March 2019

	Actual* This Year \$		Actual* Last Year \$
Cash Flows from Operating Activities*			
Cash was received from:			
Donations, fundraising and other similar receipts*	468,971		403,136
Fees, subscriptions and other receipts from members*	126,473		128,637
Receipts from providing goods or services*	134,156		166,207
Interest, dividends and other investment receipts*	24,190		24,050
Cash was applied to:			
Payments to suppliers and employees*	622,332		542,538
Donations or grants paid*	58,714		66,310
Net Cash Flows from Operating Activities*	72,744	-	113,182
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*	7,395		607
Net Cash Flows from Investing and Financing Activities*	(7,395)	-	(607)
Net Increase / (Decrease) in Cash*	65,349	-	112,575
Opening Cash*	663,927		551,352
Closing Cash*	729,276	-	663,927
This is represented by:			
Bank Accounts and Cash*	729,276	-	663,927

SPELD New Zealand Inc
Statement of Accounting Policies
"How did we do our accounting?"
For the year ended
31 March 2019

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 2019

Note 1 : Analysis of Revenue

Revenue Item	Analysis	This Year \$	Last Year \$
Grants revenue recognised in the year.	Auckland Airport Community Trust	1,304	-
	COGS	44,178	42,255
	Community Trust of Southland	4,845	4,480
	Eastern & Central Community Trust	2,157	10,156
	Foundation North	10,037	-
	Four Winds Foundation	3,500	-
	Hawkes Bay Foundation	1,600	3,300
	Invercargil Licensing Trust	795	878
	JN & HB Williams	10,177	7,148
	Sir John Logan Campbell	211	-
	Lion Foundation	27,240	25,287
	Ilott, John Charitable Trust	100	-
	ILT Foundation	2,001	-
	Lotteries Grants Board	122,506	112,245
	L W Nelson	2,000	-
	Mana Community Grants	3,400	511
	Mt Wellington Foundation	-	80
	Network Tasman Charitable Trust	1,060	329
	Norah Howell Trust	1,661	-
	Otago Community Trust	742	-
	Rata Foundation	7,070	15,085
	Redwood Trust	-	1,500
	Sky City Community Trust	10,500	10,000
	Stevenson Village Trust	5,448	6,503
		-	-
	T & G McCarthy Trust	2,854	2,200
	TSB Community Trust	3,393	-
	WEL Energy Trust	1,304	696
	Wellington Childrens Foundation	-	3,500
	Wellington Community Foundation	1,689	-
	West Coast Community Trust	1,100	-
	Winton & Margaret Bear Trust	1,740	1,100
Betty Campbell Accom Assistance	600	1,050	
	Total	275,212	248,303
Revenue Item	Analysis	This Year \$	Last Year \$ Restated
Donations and other similar revenue.	Donations from Friends of SPELD	3,515	3,550
	Donations other	70,223	75,184
	Total	73,738	78,734

SPELD New Zealand Inc
Notes to the Performance Report
For the year ended
31 March 2019

Note 1 : Analysis of Revenue

Revenue Item	Analysis	This Year	Last Year
		\$	\$
Fees, subscriptions and other revenue from members	Annual membership fees - renewals	61,560	65,201
	Annual membership fees - new members	65,359	61,509
	Total	126,919	126,710

Revenue Item	Analysis	This Year	Last Year
		\$	\$
Revenue from providing goods or services	Conference, Seminars, Workshops and AGM	13,384	39,956
	Courses	115,763	121,061
	Resources		
	Standards income	5,009	5,190
	Total	134,156	166,207

Revenue Item	Analysis	This Year	Last Year
		\$	\$
Interest, dividends and other investment revenue	Dividends received	9,625	8,975
	Interest received	14,565	15,075
	Total	24,190	24,050

Revenue Item	Analysis	This Year	Last Year
		\$	\$
Other revenue	Sundry income	416	2,438
	Total	416	2,438

SPELD New Zealand Inc
Notes to the Performance Report
For the year ended
31 March 2019

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	319,266	303,648
	Travel & Accomodation	12,861	9,367
	Holiday Pay	2,301	8,908
	Honoraria	3,000	-
	Staff Advertising	552	-
	Total	337,980	321,923

Expense Item	Analysis	This Year \$	Last Year \$
Costs related to providing goods or services	Course Expenses	104,274	68,213
	Conference, Seminars, Workshops and AGM	11,365	21,885
	Resources	38,540	18,236
	Standards	1,357	376
	Total	155,536	108,710

Expense Item	Analysis	This Year \$	Last Year \$
Grants and Donations made to assist students	Financial Assistance Projects	58,714	66,310
	Total	58,714	66,310

Expense Item	Analysis	This Year \$	Last Year \$
Other expenses	ACC Expense	1,028	952
	Advertising	10,195	13,847
	Audit and accounting fees	5,627	5,690
	Bank charges	72	145
	Cleaning	2,654	2,164
	Computer and Website charges	14,208	25,362
	Depreciation	1,857	365
	Electricity	3,402	3,618
	Insurance	7,307	8,473
	Office supplies	1,572	2,024
	Printing, postage & stationery	5,856	10,476
	Professional development	620	1,255
	Rent	44,304	42,910
	Air Conditioning	1,739	-
	Subscriptions	457	50
	Telephone	4,998	5,638
	Sundry expenses	18,459	11,666
	Total	124,355	134,635

SPELD New Zealand Inc
Notes to the Performance Report
For the year ended
31 March 2019

Note 3 : Analysis of Assets and Liabilities

Asset Item	Analysis	This Year	Last Year
		\$	\$
Bank accounts and cash	ASB Cheque	68,877	7,514
	ASB Term Deposits total	550,500	254,401
	ASB Saver Accounts 50, 51, 52 and 53	109,899	402,012
	Total	729,276	663,927

Asset Item	Analysis	This Year	Last Year
		\$	\$
Debtors and prepayments	Prepayments	-	-
	Accounts receivable	1,673	811
	Total	1,673	811

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	43,600	74,088
	Total	43,600	74,088

Liability Item	Analysis	This Year	Last Year
		\$	\$
Creditors and accrued expenses	Accounts payable	10,851	10,543
	GST payable (receivable)	(1,291)	20,378
	Other income in advance	4,555	
	Total	14,115	30,921

Liability Item	Analysis	This Year	Last Year
		\$	\$
Employee costs payable	Paye and kiwisaver	15,737	7,550
	Annual leave accrual	45,792	43,491
	Total	61,529	51,041

SPELD New Zealand Inc
Notes to the Performance Report
For the year ended
31 March 2019

Note 3 : Analysis of Assets and Liabilities

Liability Item	Analysis	This Year \$	Last Year \$ Restated
Unused grants with conditions Refer Note 9	Auckland Airport Community Trust	23,696	-
	COGS	42,502	31,147
	Community Trust of Southland	6,155	-
	Eastern & Central CT	4,006	1,163
	Foundation North	14,963	-
	Four Winds Foundation	1,000	-
	George Denton Trust	1,250	-
	Hawkes Bay Foundation	100	700
	Hutt Mana Charitable Trust	1,400	2,800
	Invercargill Licensing Trust	-	795
	J N & H B Williams Trust	17,675	12,852
	Sir John Logan Campbell	1,789	-
	Lion Foundation	28,119	25,033
	Ilott, John Charitable Trust	1,900	2,000
	ILT Foundation	1,748	-
	Lotteries Grant	44,835	52,341
	L W Nelson Charitable Trust	4,000	3,000
	Mt Wellington Foundation	2,900	-
	Network Tasman Charitable Trust	1,611	1,671
	Norah Howell Trust	4,339	4,000
	One Foundation	11,618	-
	Otago Community Trust	8,258	-
	Rata Foundation	24,599	11,537
	Redwood Trust	1,500	-
	Sky City Hamilton	4,500	5,000
	Stevenson Village Trust	1,851	7,299
	T & G McCarthy Trust	17,249	15,103
	TSB Community Trust	11,607	-
	The Vogelmorn Foundation	10,000	-
	W & M Bear Trust	160	1,900
WEL Energy Trust	-	1,304	
Wellington Community Trust	3,311	-	
West Coast Community Trust	2,125	1,100	
Other			
Total		300,766	180,745

Liability Item	Analysis	This Year \$	Last Year \$
Other current liabilities	Student fees income in advance - Public Trust	43,600	74,088
Total		43,600	74,088

SPELD New Zealand Inc
Notes to the Performance Report
For the year ended
31 March 2019

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*	11			185	174
Computers (including software)*	179			107	72
Furniture and fixtures*	854	7,395		1,565	6,684
Total	1,044	7,395	-	1,857	6,582

Last Year					
Asset Class*	Opening Carrying Amount*	Purchases	Sales / Disposals	Current Year Depreciation and Impairment*	Closing Carrying Amount*
Office equipment*	16			5	11
Computers (including software)*	447			268	179
Furniture and fixtures*	339	607		92	854
Total	802	607	-	365	1,044

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 2019

Note 5: Accumulated Funds

This Year				
Description*	Capital Contributed by Owners or Members*	Accumulated Surpluses or Deficits*	Reserves*	Total*
Opening Balance	-	438,075	-	438,075
Capital contributed by owners or members*	-			-
Capital returned to owners or members*	-			-
Surplus/(Deficit)*		(41,954)		(41,954)
Distributions paid to owners or members*		-		-
Transfer to Reserves*		-	-	
Transfer from Reserves*		-	-	
Closing Balance	-	396,121	-	396,121

Last Year		Note 9		
Description*	Capital Contributed by Owners or Members*	Accumulated Surpluses or Deficits*	Reserves*	Total*
Opening Balance	-	423,211	-	423,211
Capital contributed by owners or members*	-			-
Capital returned to owners or members*	-			-
Surplus/(Deficit)*		14,864		14,864
Distributions paid to owners or members*		-		-
Transfer to Reserves*		-	-	
Transfer from Reserves*		-	-	
Closing Balance	-	438,075	-	438,075

SPELD New Zealand Inc
Notes to the Performance Report
For the year ended
31 March 2019

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	24,728	22,178
	Due from 1 to 5 years	52,864	63,000
	Due after 5 years		
	Total commitments	77,592	85,178
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)

SPELD New Zealand Incorporated

Independent auditor's report to the Members

Report on the Financial statements

Opinions

We have audited the performance report of SPELD New Zealand Incorporated (the entity), which comprises the the statement of financial position as at 31 March 2019, the entity information, statement of service performance, statement of financial performance and statement of cash flows for the year ended 31 March 2019, 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 2019 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 the entity 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, the entity.

**CHARTERED ACCOUNTANTS
& ADVISORS**

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Responsibilities of the Board for the Performance Report

The Board is 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 report in 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 determines 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 is responsible on behalf of the entity 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 the entity 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 the entity'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 Anderson.

Restriction on Distribution and Use

This report is made solely to the entity's members, as a body. Our audit work has been undertaken so that we might state to the entity's members those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the entity and the entity's members, as a body, for our audit work, for this report or for the opinions we have formed.

A handwritten signature in blue ink that reads 'William Buck'.

William Buck Audit (NZ) Limited

Auckland
23 August 2019