

Funeral Directors Association of NZ Inc
Financial Reports
For the Year Ended 30th June 2021

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Funeral Directors Association of NZ Inc

Directory

As at 30th June 2021

Nature of Business	Funeral Directors Association
Entity Type	Incorporated Society
Registration Number	217237
Board of Directors	Rachel Benns Richard Fullard Peter Giddens Andrew Malcolm Phillip Meyer Gary Taylor
Address	Level 2, The Business Suite 10 Hutt Road Petone 5012
Auditors	Crowe New Zealand Audit Partnership Level 1, 57 Willis Street Wellington 6011
Accountants	Sexton Business Builders Limited P O Box 599 Masterton 5840
Bankers	Westpac Bank 318 Lambton Quay Wellington 6011

The accompanying notes form part of and should be read in conjunction with this statement.

Funeral Directors Association of NZ Inc

Consolidated Statement of Profit or Loss

For the Year Ended 30th June 2021

	Note	2021 \$	2020 \$
REVENUE			
Fees, Subscriptions and Other Revenue from Members	5	505,059	377,121
Revenue from providing Goods or Services	5	287,848	540,358
Investment Revenue	5	<u>1,104,061</u>	<u>2,903,196</u>
Total Revenue		1,896,968	3,820,675
EXPENSES			
Costs related to providing Goods or Services	6	172,583	346,253
Employee and Volunteer related Costs	6	341,343	345,900
Overheads	6	<u>1,196,877</u>	<u>904,117</u>
Total Expenses		1,710,803	1,596,270
INCOME (LOSS) BEFORE TAX ADJUSTMENTS		<u>186,165</u>	<u>2,224,405</u>
INCOME (LOSS) BEFORE TAX		<u>186,165</u>	<u>2,224,405</u>
Tax Adjustments		(430,178)	(794,629)
Provision for Prior Years' Income Tax		(560,940)	-
SURPLUS (DEFICIT) AFTER TAX		<u>(804,953)</u>	<u>1,429,776</u>

The accompanying notes form part of and should be read in conjunction with this statement.

Funeral Directors Association of NZ Inc

Consolidated Statement of Changes in Equity For the Year Ended 30th June 2021

	<i>Note</i>	2021 \$	2020 \$
ACCUMULATED FUNDS AT START OF YEAR		6,390,482	5,648,726
REVENUE			
Net Loss for the Year		(804,953)	1,429,776
OTHER MOVEMENT			
Movement in Reserves	12	-	3,073
Applicant Funds Deficit on Withdrawal		(149,012)	(155,587)
Allocation to Applicant Funds		(360,462)	(535,506)
Total Other Movement		(509,474)	(688,020)
Total Recognised Revenues and Expenses for the Year		(1,314,427)	741,756
ACCUMULATED FUNDS AT END OF YEAR		<u>\$5,076,055</u>	<u>\$6,390,482</u>

The accompanying notes form part of and should be read in conjunction with this statement.

Funeral Directors Association of NZ Inc

Consolidated Balance Sheet

As at 30th June 2021

	Note	2021 \$	2020 \$
CURRENT ASSETS			
Bank Accounts and Cash	7	2,152,056	9,608,481
Debtors and Prepayments	7	42,851	83,685
Investments	7	600,000	600,000
Inventory	7	14,270	10,227
Total Current Assets		2,809,177	10,302,393
NON-CURRENT ASSETS			
Property, Plant and Equipment	8	114,499	29,292
Investments	9	56,679,840	49,942,218
Total Non-Current Assets		56,794,339	49,971,510
TOTAL ASSETS		59,603,516	60,273,903
CURRENT LIABILITIES			
Creditors and Accrued Expenses	10	239,495	259,788
Other Current Liabilities	11	413,484	325,801
Total Current Liabilities		652,979	585,589
PROVISION			
Applicant Funds	14	53,874,482	53,297,833
TOTAL LIABILITIES		54,527,461	53,883,422
NET ASSETS		<u>\$5,076,055</u>	<u>\$6,390,481</u>
ACCUMULATED FUNDS			
Funds Settled		10	10
Accumulated Surplus (Deficit)		5,062,972	6,377,398
Reserves	12	13,073	13,073
TOTAL ACCUMULATED FUNDS		<u>\$5,076,055</u>	<u>\$6,390,481</u>

Represented by;


The Board are pleased to present the approved performance report including the consolidated financial statements of Funeral Directors Association of New Zealand Inc for year ended 30 June 2021.

Approved this 12th day of November

2021



President



~~Vice President~~ Trust Chairman

The accompanying notes form part of and should be read in conjunction with this statement.

Funeral Directors Association of NZ Inc

Statement of Cash Flows

For the year ended 30 June 2021

	Note	2021 \$	2020 \$
Cash flows from operating activities			
<i>Receipts</i>			
Receipts from sales & subscriptions		833,739	729,845
Receipts from applicants		2,003,543	1,523,744
Receipts from investment income		1,104,062	2,916,198
		<u>3,941,344</u>	<u>5,169,786</u>
<i>Payments</i>			
Payments to suppliers		(4,533,753)	(3,746,385)
Net cash flows from operating activities		<u>(592,409)</u>	<u>1,423,401</u>
Cash flows from investing activities			
<i>Receipts</i>			
Withdrawal of short term investments		1,184,289	7,502,059
		<u>1,184,289</u>	<u>7,502,059</u>
<i>Payments</i>			
Purchase of property, plant and equipment		(126,393)	(12,625)
Investments in short term deposits		(7,921,911)	(1,190,041)
		<u>(8,048,305)</u>	<u>(1,202,665)</u>
Net cash flows from investing activities		<u>(6,864,015)</u>	<u>6,299,394</u>
Net cash flows		<u>(7,456,425)</u>	<u>7,722,794</u>
Net (decrease)/increase in cash and cash equivalents		(7,456,425)	7,722,794
Cash and cash equivalents at 1 July		9,608,481	1,885,686
Cash and cash equivalents at 30 June		<u>2,152,056</u>	<u>9,608,481</u>

The accompanying notes form part of and should be read in conjunction with this statement.

Funeral Directors Association of NZ Inc

Notes to the Consolidated Financial Statements For the Year Ended 30th June 2021

1. STATEMENT OF ACCOUNTING POLICIES

The reporting entity is the Funeral Directors Association of NZ Inc, an incorporated society representing the funeral directors of New Zealand. The financial statements comprising of the Association and its controlled entities, FDANZ Prepaid Funerals Trust Fund and Funeralcare Publications Limited, together as "the Group" are presented for the year ended 30 June 2021.

These special purpose financial statements are not in conformity with the New Zealand Generally Accepted Accounting Practice, and are not general purpose financial statements.

The financial statements of the Funeral Directors Association of NZ Inc have been prepared in accordance with Special Purpose Framework for use by For-Profit Entities (SPFR for FPEs) published by Chartered Accountants of Australia and New Zealand.

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis have been used, with the exception of certain items for which specific accounting policies have been identified.

Changes in Accounting Policies

There have been no other changes in accounting policies. All policies have been applied on bases consistent with those used in previous years.

SPECIFIC ACCOUNTING POLICIES

In the preparation of these financial statements, the specific accounting policies are as follows:

(a) Property, Plant & Equipment

The entity has the following classes of Property, Plant & Equipment;

Office Equipment	13-60%	DV
Computer Equipment & Software	0-50%	DV

All property, plant & equipment is stated at cost less depreciation.

(b) Goods & Services Tax

Where applicable, these financial statements have been prepared on a GST exclusive basis with the exception of accounts receivable and accounts payable which are shown inclusive of GST. The FDANZ Prepaid Funerals Trust Fund is not registered for GST.

(c) Taxation

Income tax is accounted for using the taxes payable method. The income tax expense charged to the Statement of Financial Performance is the estimated tax payable in the current year, adjusted for any differences between the estimated and actual tax payable in prior years.

(d) Inventory

Inventory is stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method.

Funeral Directors Association of NZ Inc

Notes to the Consolidated Financial Statements For the Year Ended 30th June 2021

(e) Investments

Investments include term deposits with New Zealand financial institutions and JB Were Portfolio. Subsequent to initial recognition at cost, these investments are measured at amortised cost, less any impairment losses.

(f) Revenue

Merchandise sales are recognised upon shipment of the merchandise to the customer.

Subscriptions are accounted for on an accrual basis. The amount charged is based on the number of deaths registered by a member in the previous financial year.

Affiliated and Business Partner Subscriptions are accounted for on an accrual basis and over the life of a subscription.

Interest income is recognised using the effective interest method.

Re-allocation gain is recognised by adding up the realised investment gains.

(g) Receivables

Receivables are stated at their estimated realisable value. Bad debts are written off in the year in which they are identified.

(h) Provisions

Provisions are recognised when the entity has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(i) Applicant Funds

Applicant funds are funds provided by clients of members of the Funeral Directors Association of NZ Incorporated. These applicant funds are held in the Funeral Directors Association of NZ Incorporated Prepaid Funerals Trust Fund and are invested by the Trust in financial investment assets. These funds will accrue earnings thereon and will be applied towards applicants' prepaid funerals. When the applicant dies, the fund that was established for the applicant would be used to pay for the funeral. Any additional costs needed to pay for the funeral would be provided by the applicant's family and any excess funds held would be refunded to the applicant's family.

(j) Going Concern

These financial statements have been prepared on the basis that the association is a going concern.

Funeral Directors Association of NZ Inc

Notes to the Consolidated Financial Statements For the Year Ended 30th June 2021

(k) Basis of consolidation

Controlled entities are all those entities over which the controlling entity has the power to govern the financial and operating policies so as to benefit from its activities. The controlled entities are consolidated from the date on which control is transferred. In preparing the consolidated financial statements, all inter-entity balances and transactions, and unrealised gains and losses arising within the consolidated entity are eliminated in full.

2. AUDIT

These financial statements have been subject to audit, please refer to Auditor's Report.

3. CONTINGENT LIABILITIES

At balance date there are no known contingent liabilities (2020:\$0). Funeral Directors Association of NZ Inc has not granted any securities in respect of liabilities payable by any other party whatsoever.

4. SECURITIES AND GUARANTEES

There was no overdraft as at balance date nor was any facility arranged.

5. ANALYSIS OF REVENUE

	2021 \$	2020 \$
<u>Fees, subscriptions and member revenue</u>		
District Subscriptions	25,803	22,710
Fees Deducted - Applicants	120,938	-
Registration Fees	24,451	28,021
Subscription Revenue	333,867	326,390
Total Fees, subscriptions and member revenue	505,059	377,121
<u>Revenue from providing goods and services</u>		
Affiliated/Business Partner Subscription Revenue	23,378	30,408
Commission Income	12,191	10,518
Communio Transport Services	49,993	49,993
Convention & Trade Show Revenue	82,934	245,741
Executive Services Revenue	-	50,180
Funeralcare Publication Sales	42,040	68,890
Merchandise Sales	35,710	37,675
Memorial Book System Revenue	30,502	32,113
Professional Development Revenue	11,100	14,840
Total Revenue from providing goods or services	287,848	540,358
<u>Interest, Dividends and other investment revenue</u>		
Interest and Dividend Revenue	1,299,721	1,699,671
Capital Change	(195,660)	1,203,525
Total Interest, Dividends and investment revenue	1,104,061	2,903,196

Funeral Directors Association of NZ Inc

Notes to the Consolidated Financial Statements For the Year Ended 30th June 2021

6. ANALYSIS OF EXPENSES

	2021 \$	2020 \$
<u>Costs related to providing goods or services</u>		
Business Partner Costs	-	580
Convention and Trade Show Costs	69,974	222,529
District Expenses	20,255	14,804
Executive Services Costs	-	8,476
Funeralcare Publication Costs	49,097	49,616
Merchandise Costs	28,727	27,318
Memorial Book System Costs	3,000	20,990
Professional Development Costs	1,530	1,940
Total costs related to providing goods or services	172,583	346,253
<u>Employee and Volunteer related costs</u>		
Salaries & Subcontractors	339,671	333,074
Staff Recruitment	-	11,445
Training & Seminars	1,672	1,381
Total Employee and volunteer related costs	341,343	345,900
<u>Overheads</u>		
Advertising	10,082	1,334
Administration Costs	349,522	303,387
Audit Fees	29,550	29,780
Bad Debts	1,850	900
Bank fees	1,479	2,079
Computer Support Fees	4,400	10,661
Consulting & Accounting Fees	401,994	291,621
Courier & Postage	185	966
Depreciation	41,187	19,805
Entertainment	2,483	1,330
Executive Expenses	25,804	31,450
General Expenses	36	1,732
Insurance	15,477	15,000
Interest	5,978	-
Learning Hub Costs	50,000	-
Legal Expenses	15,490	3,170
Member Benefits	28,100	23,262
Office Expenses	1,380	3,451
Printing & Stationery	7,339	10,671
Public Relations	-	1,596
Rent	23,962	28,652
Subscriptions	12,493	18,613
Telephone & Internet	5,028	4,766
Travel	29,634	26,381
Trustees Fees & Expenses	61,238	49,800
Website Costs	72,186	23,710
Total Overheads	1,196,877	904,117

The accompanying notes form part of and should be read in conjunction with this statement.

Funeral Directors Association of NZ Inc

Notes to the Consolidated Financial Statements For the Year Ended 30th June 2021

7. ANALYSIS OF ASSETS

	2021 \$	2020 \$
<u>Bank accounts and cash</u>		
FDANZ Westpac Bank Accounts	82,836	141,355
FDANZ District Bank Accounts	69,944	65,259
Funeral Trust Fund Bank Accounts	772,118	835,101
Funeral Trust Fund JB Were Call Accounts	1,227,148	8,566,756
Petty Cash	10	10
Westpac Bank - Term 081	600,000	600,000
Total Bank accounts and cash	2,752,056	10,208,481
<u>Debtors and prepayments</u>		
Accounts Receivable	18,151	58,482
Sundry Accounts Receivable	3,616	4,476
Prepayments	21,084	20,727
Total Debtors and prepayments	42,851	83,685
<u>Investments</u>		
Westpac Bank - Term 081	600,000	600,000
Total Investments	600,000	600,000
<u>Inventory</u>		
Inventory on Hand	14,270	10,227
Total Inventory	14,270	10,227

The accompanying notes form part of and should be read in conjunction with this statement.

Funeral Directors Association of NZ Inc

Notes to the Consolidated Financial Statements For the Year Ended 30th June 2021

8. PROPERTY, PLANT & EQUIPMENT

	2021 \$	2020 \$
Office Equipment		
At cost	11,364	11,823
Less accumulated depreciation	(8,800)	(8,800)
	2,564	3,023
Computer Equipment & Software		
At cost	228,677	102,284
Less accumulated depreciation	(116,742)	(76,015)
	111,935	26,269
Total Property, Plant & Equipment	<u>\$114,499</u>	<u>\$29,292</u>

9. INVESTMENTS

	2021 \$	2020 \$
JB Were Investments	56,679,840	49,942,218
Total Investments	<u>56,679,840</u>	<u>49,942,218</u>

10. ANALYSIS OF LIABILITIES

	2021 \$	2020 \$
<u>Creditors and accrued expenses</u>		
Sundry Accounts Payable	243,901	255,638
GST	(4,406)	4,150
Total Creditors and accrued expenses	239,495	259,788
<u>Other Current Liabilities</u>		
Income tax payable	413,484	325,801
Total Other current liabilities	413,484	325,801

Funeral Directors Association of NZ Inc

Notes to the Consolidated Financial Statements For the Year Ended 30th June 2021

11. TAXATION

	2021 \$	2020 \$
Net Profit (Loss) before tax	186,165	2,224,405
Additions to Taxable Profit		
FIF Assessable Income	122,676	219,109
Movement in Accruals	(15,000)	10,000
PIE Tax Credits - Non Deductible	-	8,450
Total Additions to Taxable Profit	107,676	237,559
Deductions from Taxable Profit		
FIF Income - Non Assessable	79,156	88,144
PIE Income - Non Assessable	154,659	183,595
Unrealised Capital Gain	(1,203,524)	(276,292)
Total Deductions from Taxable Profit	969,709	4,553
Taxable Profit (Loss)	1,263,550	2,466,517
Tax payable at 33%	430,178	794,629
Provision for Prior Years' Income Tax	560,940	-
Opening Balance	325,801	(90,501)
Prior period tax (paid) refunded	(553,861)	90,501
RWT credits	(349,574)	(468,828)
Total tax to pay (refund)	413,484	325,801

12. RESERVES

	2021 \$	2020 \$
Disaster Response Reserve		
- Opening balance for the year	13,073	10,000
- White Island Funds	-	3,073
- Closing balance for the year	13,073	13,073

13. EVENTS AFTER BALANCE DATE

While the global pandemic COVID-19 continued throughout the year, the trust's operations were only mildly disrupted and it is not anticipated it will affect the Trust's ability to continue as a going concern over the next 12 months. The pandemic has had no impact on these financial statements. (2020:\$0)

Funeral Directors Association of NZ Inc

Notes to the Consolidated Financial Statements For the Year Ended 30th June 2021

14. APPLICANT FUNDS

Applicant funds are the net of money received, plus any adjustment for inflation credited to an applicant's account, less monthly fees. There is a shortfall in the existing scheme between the balance held and the minimum death benefit payable of \$1,019,338 (2020: \$1,007,084). The shortfall will be covered from future earnings of the fund, over and above the interest allocation and expenses.

The allocation between current and non-current Applicant Funds has been prepared by an independent actuary, Davies Financial and Actuarial Limited and is reflected as:

	2021 \$	2020 \$
Applicants Funds - Funeral Trust		
Current	6,217,148	5,892,558
Non-Current	<u>37,876,098</u>	<u>36,197,144</u>
Total Applicant Funds - Funeral Trust	44,093,246	42,089,702
 Applicant Funds - Family Bereavement Plan		
Current	1,379,154	1,569,138
Non Current	<u>8,402,082</u>	<u>9,638,993</u>
Total Applicant Funds - Family Bereavement Plan	9,781,236	11,208,131
 Total Applicant Funds	<u>53,874,482</u>	<u>53,297,833</u>

All assets of the Trust Fund are held on behalf of the Applicants

These special purpose financial statements are not in conformity with the New Zealand Generally Accepted Accounting Practice, and are not general purpose financial statements. As such, the measurement basis of the applicant funds is not the same as under New Zealand Generally Accepted Accounting Practice. The applicant funds are not discounted at a pre-tax discount rate and do not reflect the specific uncertainties of the underlying events.

15. RELATED PARTIES

The association holds 100% of shares in three non-trading companies, Funerals NZ Limited, Rapid Transfers Limited, and Funeralcare Publications Limited, which ceased trading at 30 September 2018 and is in the process of being wound up.

For the year ended 30 June 2021, Funeral Directors Association of NZ Inc received the following from the FDANZ Prepaid Funerals Trust Fund:

- Executive/Administration fees \$60,000 (2020: \$44,000)
- Commissions \$43,627 (2020: \$40,134)
- Reimbursements for costs paid on behalf \$23,963 (2020: \$12,850)

INDEPENDENT AUDITOR'S REPORT

To the Members of Funeral Directors Association of New Zealand

Opinion

We have audited the special purpose consolidated financial statements of Funeral Directors Association of New Zealand (the Association) and its controlled entities (the Group) on pages 2 to 13, which comprise the consolidated balance sheet as at 30 June 2021 and the consolidated income statement for the year then ended, and notes to the special purpose consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying special purpose financial statements present fairly, in all material respects, the financial position of the Group as at 30 June 2021, and its financial performance and its cash flows for the year then ended in accordance with the Special Purpose Financial Reporting Framework for use by For-Profit Entities 2018 as issued by Chartered Accountants Australia New Zealand.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Special Purpose Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* 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, Funeral Directors Association of New Zealand or any of its controlled entities.

Emphasis of Matter – Basis of Accounting and Restriction on Distribution

We draw attention to Note 1 to the special purpose consolidated financial statements, which describes the basis of accounting. The special purpose consolidated financial statements are prepared to assist the Board of the Group in preparing financial reports as required by the Trust Deed and internal management purposes. As a result, the special purpose consolidated financial statements may not be suitable for another purpose. Our report is intended solely for the Group's Members, as a body and should not be distributed to parties other than the Group and its Members. Our opinion is not modified in respect of this matter.

Information Other Than the Special Purpose Consolidated Financial Statements and Auditor's Report

The Board are responsible for the other information. Our opinion on the special purpose consolidated financial statements does not cover the other information included in the annual report and we do not and will not express any form of assurance conclusion on the other information. At the time of our audit, there was no other information available to us.

In connection with our audit of the special purpose consolidated financial statements, if other information is included in the annual report, our responsibility is to read the other information and, in doing so, consider

whether the other information is materially inconsistent with the special purpose consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of our auditors' report, we concluded that there is a material misstatement of this other information, we are required to report that fact.

Board's Responsibilities for the Special Purpose Consolidated Financial Statements

The Board are responsible on behalf of the Group for the preparation and fair presentation of the special purpose consolidated financial statements in accordance with the Special Purpose Financial Reporting Framework for use by For-Profit Entities 2018 as issued by Chartered Accountants Australia New Zealand and for such internal control as the Board determine is necessary to enable the preparation of special purpose consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the special purpose consolidated financial statements, the Board are responsible for assessing the Group'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 Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Special Purpose Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (NZ) 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 decisions of users taken on the basis of these special purpose consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the special purpose consolidated financial statements, 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 Group'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 Group'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 special purpose consolidated financial statements 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the special purpose consolidated financial statements, including the disclosures, and whether the special purpose consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the special purpose consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for the audit opinion.

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.

Restriction on Use

This report is made solely to the Group's Members, as a body. Our audit has been undertaken so that we might state to the Group's Members those matters 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 Group and the Group'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 "Crowe".

Crowe New Zealand Audit Partnership
CHARTERED ACCOUNTANTS
12 November 2021

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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