

# **Financial Services Complaints Limited**

Financial statements  
for the year ended 30 June 2016

## Report contents

	Page
Approval of Financial statements	2
Directory	3
Financial statements	
Profit and loss statement	4
Statement of movements in equity	5
Balance sheet	6
Statement of cashflow	7
Statement of accounting policies	8
Notes to the financial statements	10
Supplementary schedules	
Statement of property, plant and equipment	17

## Approval of Financial statements

The Directors are pleased to present the financial statements of Financial Services Complaints Limited, for the year ended 30 June 2016.

For and on behalf of the Board of Directors:

  
Director

  
Director

Dated: 26 August 2016

**Company directory**

as at 30 June 2016

Registered office	Level 4 101 Lambton Quay Wellington 6011
Incorporation number	2303993
IRD number	103-018-668
Directors	Kenneth Johnston Bruce Cronin Raewyn Fox Roger Kerr Gary Young
Shareholders	The shareholder of the Company holds the shares on trust for the fulfilment of the objective of the Company, which is to provide an external dispute service for its Participants. <div style="text-align: right;"><u>100</u> <u>100</u> Ordinary shares</div>
Accountants	KPMG Level 9 10 Customhouse Quay Wellington 6011
Auditors	BDO Wellington Level 1 50 Customhouse Quay Wellington 6011

**Profit and loss statement**

for the year ended 30 June 2016

	Note	2016 \$	2015 \$
<b>Revenue</b>	1	1,623,922	1,689,226
<b>Gross surplus</b>		<b>1,623,922</b>	<b>1,689,226</b>
<b>Expenses</b>			
Administration	2	1,534,867	1,465,407
Finance	3	1	17
Non cash items	4	54,124	70,325
<b>Total expenses</b>		<b>1,588,992</b>	<b>1,535,749</b>
<b>Net business surplus</b>		<b>34,930</b>	<b>153,477</b>
<b>Other income</b>			
Interest received		82,081	93,737
FSCL conference		-	1,147
		<b>82,081</b>	<b>94,884</b>
<b>Net surplus</b>		<b>117,011</b>	<b>248,361</b>

These statements are to be read in conjunction with the notes to the financial statements

**Statement of movements in equity**

for the year ended 30 June 2016

	Note	2016 \$	2015 \$
Net surplus for the year		117,011	248,361
Equity at beginning of year		2,029,486	1,781,125
Equity at end of year	7	<b>2,146,497</b>	<b>2,029,486</b>

These statements are to be read in conjunction with the notes to the financial statements

**Balance sheet**

as at 30 June 2016

	Note	2016 \$	2015 \$
Equity	7	<b>2,146,497</b>	<b>2,029,486</b>
<b>Current assets</b>			
Cash and bank balances	8	317,092	176,288
Accounts receivable	9	20,078	21,262
Prepayments		24,966	25,092
Short term deposits	10	1,695,621	1,651,349
GST refund due		5,185	8,767
Income tax refund	5	28,114	49,907
		<b>2,091,056</b>	<b>1,932,665</b>
<b>Non current assets</b>			
Property, plant and equipment	11	131,221	145,333
Intangibles	12	76,261	108,006
		<b>207,482</b>	<b>253,339</b>
<b>Total assets</b>		<b>2,298,538</b>	<b>2,186,004</b>
<b>Current liabilities</b>			
Accounts payable		53,779	54,052
Income in advance		-	1,580
Accrued charges		84,059	74,683
Lease incentive	13	14,203	26,203
		<b>152,041</b>	<b>156,518</b>
<b>Total liabilities</b>		<b>152,041</b>	<b>156,518</b>
<b>Net assets</b>		<b>2,146,497</b>	<b>2,029,486</b>

These statements are to be read in conjunction with the notes to the financial statements

**Statement of cashflow**

for the year ended 30 June 2016

	Note	2016 \$	2015 \$
Cash was provided by (used for)			
<b>Operating activities</b>			
Receipts from Participants' fees		1,623,657	1,691,922
GST movement		3,582	(3,239)
Operating costs		(1,537,639)	(1,452,122)
Income tax paid		21,793	(26,374)
	14	111,393	210,187
<b>Investing activities</b>			
Payments to property, plant and equipment and intangible assets		(8,397)	(118,275)
		(8,397)	(118,275)
<b>Financing activities</b>			
Increase of term deposits		(44,272)	(226,069)
Net interest received		82,080	93,720
		37,808	(132,349)
<b>Net movement in cash</b>		<b>140,804</b>	<b>(40,437)</b>
Opening cash balance		176,288	216,725
Closing cash balance		<b>317,092</b>	<b>176,288</b>
<b>Represented by</b>			
Business Current Account		19,171	15,944
Office Current Account		3,543	981
Premium Call Account		294,370	159,315
Business First Oncall Account		8	48
Closing bank balances	8	<b>317,092</b>	<b>176,288</b>

These statements are to be read in conjunction with the notes to the financial statements



## Statement of accounting policies

for the year ended 30 June 2016

### Basis of preparation

Financial Services Complaints Limited is a company domiciled in New Zealand and registered under the Companies Act 1993.

The financial statements comprise of profit and loss statement, movements in equity, balance sheet, statement of cashflows and accounting policies as well as the notes to these statements.

Financial Services Complaints Limited has elected to apply the Public Benefit Entity Simple Format Reporting - Accrual (Not for Profit) ("PBE SFR-A(NFP)") standard with the exception of the preparation of a statement of service performance on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$2,000,000. The financial statements have been prepared applying the accounting policies of accrual accounting and the double entry method of recording financial transactions. The financial statements have been prepared under the assumption that Financial Services Complaints Limited will continue to operate in the foreseeable future.

Financial Services Complaints Limited does not have a general purpose financial reporting requirement, on this basis Financial Services Complaints Limited's constitution requires the preparation of special purpose financial statements within five months of the company's balance date.

### Purpose

The purpose of the financial statements is to provide users with consistent year on year information regarding the financial performance and position of Financial Services Complaints Limited and so that the company can meet its obligations under the Income Tax Act.

### Revenue recognition

Revenue on scheme participants' fees and case fees is recognised in the period that it relates to. Revenue on events including workshops is recognised in the period in which the event takes place. Any unearned income at year end is recorded in income received in advance.

### Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Where an item of property, plant or equipment is disposed of, the gain or loss recognised in the profit and loss statement is calculated as the difference between the sale price and the carrying amount of the asset.

### Depreciation

Depreciation is charged to the profit and loss statement at the rate appropriate to spread the cost of the asset over the expected useful life of the asset. The following rates have been used:

Office equipment 20.0 - 67.0% diminishing value and 20.0% - 33.0% straight line

Furniture and fittings 0 - 25.0% diminishing value and 8.5% straight line

Commercial fit-out 10.0 - 13.0% diminishing value

### Receivables

Receivables are stated at estimated realisable value after providing against debts where collection is doubtful. Bad debts are written off during the period in which they are identified.

## Statement of accounting policies

for the year ended 30 June 2016

### Taxation

The income tax recognised in the profit and loss account is the estimated income tax payable in the current year, adjusted for any differences between the estimated and actual income tax payable in prior years.

### Goods and services tax

The Company is registered for GST. All amounts are shown exclusive of Goods & Services Tax (GST), except for receivables and payables which are shown inclusive of GST.

### Intangible assets

Intangible assets are stated at cost less amortisation. Amortisation is charged to the profit and loss statement at the rate appropriate to spread the cost of the intangible over its expected useful life.

The following rates have been used:

Website 20.0% straight line

Software 50.0% straight line

### Trade and other payables

Trade and other payables are stated at cost.

### Comparatives

Comparative amounts relating to website and software assets have been reclassified from property, plant and equipment to intangible assets to conform with the current year's presentation.

### Lease Incentive

Lease incentives received are amortised over the term of the lease and recognised as a reduction in the rent incurred during the financial year.

### Changes in accounting policies

The accounting policies adopted are consistent with those of the previous year.

## Notes to the financial statements

<b>1</b>	<b>Operating revenue</b>	<b>2016</b>	<b>2015</b>
		<b>\$</b>	<b>\$</b>
	Scheme Participants' fees	1,412,938	1,435,547
	Case fees	206,020	210,740
	Workshop fees	2,911	32,100
	Bad debts recovered	-	1,500
	Other revenue	2,053	9,340
	<b>Total operating revenue</b>	<b>1,623,922</b>	<b>1,689,226</b>
<b>2</b>	<b>Administration</b>	<b>2016</b>	<b>2015</b>
		<b>\$</b>	<b>\$</b>
	ACC Levy	2,163	1,740
	Accounting	23,321	26,507
	Annual general meeting expenses	4,146	2,157
	Audit fees	10,500	9,595
	Bad debts	1,000	1,224
	Bank charges	4,763	3,450
	Board expenses	9,176	11,770
	Cleaning	5,238	5,311
	Communications	4,620	3,988
	Complaint costs	2,965	2,437
	Computer expenses	42,974	32,542
	Consulting fees	11,678	43,138
	Consumer outreach	6,613	1,289
	Directors fees	117,000	102,000
	Employee expenses	1,823	-
	Entertainment - deductible	2,623	3,438
	Entertainment - non-deductible	2,965	3,887
	Fringe Benefit Tax	2,686	2,654
	General expenses	11,110	8,884
	Heat, light and power	4,322	5,233
	Insurance	9,014	9,900
	Legal	85,754	18,037
	Low cost assets	217	1,039
	Postage and Shipping	632	743
	Printing and stationery	9,295	9,555
	Promotions and Publications	20,225	21,621
	Recruitment	-	5,280
	Rent	116,142	113,689
	Salaries	957,832	927,228
	Seminar expenses	7,154	3,693
	Subscriptions	5,113	6,725
	Telecommunications	11,373	12,298
	Training	15,827	15,319
	Travelling	23,963	28,273
	Workshop costs	640	20,763
		<b>1,534,867</b>	<b>1,465,407</b>

## Notes to the financial statements

3 Finance	2016	2015
	\$	\$
Interest	1	17
	<b>1</b>	<b>17</b>
4 Non cash items	2016	2015
	\$	\$
Depreciation - Office equipment	7,656	10,783
Depreciation - Furniture and fittings	6,616	7,000
Depreciation - Commercial fit-out	8,106	8,159
	<b>22,378</b>	<b>25,942</b>
Amortisation of Internal Dispute Resolution Manual	-	4,863
Amortisation of Intangibles	31,746	39,520
	<b>54,124</b>	<b>70,325</b>

## Notes to the financial statements

5 Tax	2016 \$	2015 \$
<b>Operating surplus</b>	<b>117,011</b>	<b>248,361</b>
<b>Adjustments for differences</b>		
<b>Timing differences</b>		
Movement in accounting and audit fee accrual	1,400	2,300
Movement in holiday pay accrual	5,742	(2,973)
Movement in provision for doubtful debts	-	(1,500)
	7,142	(2,173)
<b>Permanent differences</b>		
Non assessable income derived from Scheme Participants	(1,412,938)	(1,435,547)
Non assessable portion of lease incentive	(12,000)	(12,000)
Non deductible expenses related to Scheme Participants	1,297,759	1,209,162
Entertainment - non-deductible	2,965	3,887
Non deductible depreciation	4,880	5,569
(Assessable)/non deductible amortisation	(22,257)	4,863
Non deductible salaries	20,000	-
	(121,591)	(224,066)
<b>Total adjustments</b>	<b>(114,449)</b>	<b>(226,239)</b>
<b>Surplus/(deficit) before losses brought forward</b>	<b>2,562</b>	<b>22,122</b>
<b>Losses brought forward</b>	<b>(154,784)</b>	<b>(176,906)</b>
<b>Tax loss to carry forward</b>	<b>(152,222)</b>	<b>(154,784)</b>
Prior year tax refund outstanding	-	(23,533)
Resident withholding tax paid	(28,114)	(26,374)
<b>Income tax refund</b>	<b>(28,114)</b>	<b>(49,907)</b>
<b>Losses carried forward are made up of:</b>		
Business losses	(152,222)	(154,784)
	<b>(152,222)</b>	<b>(154,784)</b>

### 6 Imputation credits

In accordance with the Income Tax Act 2007, a New Zealand company is not required to maintain an imputation credit account if it has a constitution which prohibits a distribution to a shareholder. On the basis that the constitution of Financial Services Complaints Limited prohibits distributions to shareholders, it is not required to maintain an imputation credit account.

## Notes to the financial statements

7 Equity		2016 \$	2015 \$
	Quantity		
	100	-	-
Share capital			
Retained earnings		2,146,497	2,029,486
Equity		<b>2,146,497</b>	<b>2,029,486</b>

The Company's constitution provides that the capital of the Company consists of one hundred fully paid ordinary shares (at nil value) to be held by the person who for the time being occupies the position of Chairperson of the Company. The shareholder of the Company holds the shares on trust for the fulfilment of the objective of the Company, which is to provide an external dispute resolution service for its Participants. By Deed, the Shareholder acknowledges that he is a mere legal owner of the shares, and that he holds the same on behalf of the Company and its participants for the time being.

The Board does not have the power to issue further shares.

### Movements in retained earnings

Balance at beginning of year	2,029,486	1,781,125
Net surplus	117,011	248,361
Balance at end of year	<b>2,146,497</b>	<b>2,029,486</b>

8 Cash and bank balances	2016 \$	2015 \$
Business Current Account	19,171	15,944
Office Current Account	3,543	982
Premium Call Account	294,370	159,315
Business First Oncall Account	8	48
	<b>317,092</b>	<b>176,288</b>

9 Accounts receivable	2016 \$	2015 \$
Accounts receivable	20,078	21,262
	<b>20,078</b>	<b>21,262</b>

## Notes to the financial statements

10 Short term deposits	2016 \$	2015 \$
ANZ Term Deposit - 1001	582,778	568,148
ANZ Term Deposit - 1002	81,743	78,527
ANZ Term Deposit - 1010	210,709	206,150
ANZ Term Deposit - 1011	168,255	163,125
BNZ Term Deposit - 001	652,136	635,399
	<b>1,695,621</b>	<b>1,651,349</b>

The ANZ Term Deposits are held on the following terms:

Term deposit 1001 is for a period of 365 days and is due to mature on 18 July 2016. Interest is earned at 4.05% per annum.

Term deposit 1002 is for a period of 365 days and is due to mature on 7 July 2016. Interest is earned at 4.20% per annum.

Term deposit 1010 is for a period of 365 days and is due to mature on 31 October 2016. Interest is earned at 3.70% per annum.

Term deposit 1011 is for a period of 365 days and is due to mature on 26 January 2017. Interest is earned at 3.70% per annum.

The BNZ Term Deposit 001 is for a period of 365 days and is due to mature on 4 November 2016. Interest is earned at 3.90% per annum.

## 11 Property, plant and equipment

	Cost \$	Depreciation \$	Acc depn \$	Carrying value \$
Office equipment	92,853	7,656	73,449	19,404
Furniture and fittings	71,455	6,616	32,413	39,042
Commercial fit-out	109,961	8,106	37,186	72,775
<b>Balance as at 30 June 2016</b>	<b>274,269</b>	<b>22,378</b>	<b>143,048</b>	<b>131,221</b>

	Cost \$	Depreciation \$	Acc depn \$	Carrying value \$
Office equipment	85,626	10,783	66,173	19,453
Furniture and fittings	70,796	7,000	25,797	44,999
Commercial fit-out	109,961	8,159	29,080	80,881
<b>Balance as at 30 June 2015</b>	<b>266,383</b>	<b>25,942</b>	<b>121,050</b>	<b>145,333</b>

Further information can be found in the supplementary summary Statement of property, plant and equipment included at the back of these financial statements.

## Notes to the financial statements

12 Intangible assets	2016 \$	2015 \$
<b>Website</b>		
Cost	88,859	88,859
Accumulated amortisation	(29,507)	(14,669)
Net book value	59,352	74,190
<b>Software</b>		
Cost	90,467	90,467
Accumulated amortisation	(73,559)	(56,651)
Net book value	16,908	33,816
<b>Total intangible assets</b>	<b>76,261</b>	<b>108,006</b>

13 Lease Incentive	2016 \$	2015 \$
Opening balance	26,203	38,203
Current year portion	(12,000)	(12,000)
	<b>14,203</b>	<b>26,203</b>

In the 2012 financial year the Company received a payment of a lease incentive from the lessor of their leased office premises to contribute towards the fit out costs. The contribution has been amortised over the six year term of the lease and recognised as a reduction in the rent incurred during the financial year.

14 Net cash flow from operating activities	2016 \$	2015 \$
<b>Net surplus</b>	<b>117,011</b>	<b>248,361</b>
<b>Non cash items and (income)/expenditure classified as financing</b>		
Depreciation and amortisation	54,124	70,325
Income from disposal of assets	131	-
Interest on term deposits	(82,081)	(93,737)
Interest expense	1	17
	<b>(27,825)</b>	<b>(23,395)</b>
<b>Net cash surplus</b>	<b>89,186</b>	<b>224,966</b>
<b>Movements in working capital items</b>		
Decrease (increase) in accounts receivable	1,184	3,089
Decrease (increase) in prepayments	125	(2,568)
Increase (decrease) in GST payable	3,582	(3,239)
Increase (decrease) in accounts payable	(273)	23,402
Increase (decrease) in income in advance	(1,580)	(1,540)
Increase (decrease) in accrued charges	9,376	4,451
Increase (decrease) in lease incentive	(12,000)	(12,000)
Increase (decrease) in taxation payable	21,793	(26,374)
	<b>22,207</b>	<b>(14,779)</b>
<b>Total net cash flows from operating activities</b>	<b>111,393</b>	<b>210,187</b>



## Notes to the financial statements

<b>15 Operating lease commitments</b>	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Lease commitments under non-cancellable operating leases are as follows:		
Current portion	122,507	122,507
Non current portion	30,627	153,134
	<b>153,134</b>	<b>275,641</b>

The Company is party to a six year lease over its current premises, expiring 16 October 2017, with one right of renewal of three years.

### 16 Commitments and contingent liabilities

There are no known commitments or contingent liabilities at balance date. (2015: \$nil).

### 17 Events occurring after balance date

There have been no material subsequent events that have occurred after balance date.

### 18 Related party transactions.

The Company was a party to the following transactions with related parties during the period:

Roger Kerr is personally registered as a participant with the Company.

**Statement of property, plant and equipment**

for the year ended 30 June 2016

	Date	Private use	Original Cost	Opening WDV	Additions/ (sales)	Profit/(loss) on sale	Capital Gain/(loss)	Depn method	Depn	Accum Depn	Closing WDV
<b>Office equipment</b>											
Toshiba Satellite Laptop - Trevor Slater			2,310	67				50.0D	33	2,277	34
Dell Inspiron Laptop			1,332	41				50.0D	21	1,312	20
Intel Core PC			2,413	89				50.0D	44	2,368	45
Intel Pentium PC			2,007	74				50.0D	37	1,970	37
Various Computer Accessories			1,053	50				50.0D	25	1,028	25
Olympus digital dictation recorders			1,118	58				50.0D	29	1,089	29
Computer Software			793	22				50.0D	11	782	11
MS Office and Security Software and Installation			680	23				50.0D	12	669	11
Case Management Software			25,685	770				50.0D	385	25,300	385
Computer equipment			4,013	294				50.0D	147	3,866	147
Kitchen equipment			1,405	397	(131)	(113)		30.0D	46	675	107
Water cooler			749	270				25.0D	68	547	202
Kitchen equipment			1,362	386				30.0D	116	1,092	270
NEC PABX System			10,257	4,640				20.0D	928	6,545	3,712
7 Humanscale M2 Monitor Arms - Clamp Mount			1,925	319				40.0D	128	1,734	191
HP Computer, LCD Display and Software			2,571	242				50.0D	121	2,450	121
2 x Telephones and Programming			315	146				20.0D	29	198	117
Samsung tablet - Susan Taylor			834	92				50.0D	46	788	46
Laptop			2,113	253				50.0D	126	1,986	127
HP 6300 Pro Computer			1,809	395				50.0D	198	1,612	197
Monitor Arm Clamp Mount			550	178				40.0D	71	443	107
PBX Card and phone			3,690	2,283				20.0D	457	1,864	1,826
HP 6300 Pro Computer			1,461	351				50.0D	176	1,286	175
HP ProDesk 600, Viewsonic 22" Monitor, Microsoft Office 2013 and Installation			2,015	673				50.0D	336	1,678	337
Nespresso Coffee Machine			534	319				30.0D	96	311	223
HP Pavilion Touchsmart Notebook			1,217	458				50.0D	229	988	229
Digital Voice Recorder			798	384				40.0D	154	568	230
HP Prodesk 600 DVD			1,928	883				50.0D	442	1,487	441
Wireless Headset			960	538				40.0D	215	637	323
Electronic Dictator			651	203				67.0D	136	584	67
PC and monitor			2,466	1,130				50.0D	565	1,901	565
Envy Laptop			625	287				50.0D	144	482	143
HP Prodesk computer			1,526	1,271				50.0D	636	891	635
Projector			795	596				25.0D	149	348	447
Television			721	578				40.0D	231	374	347
Wireless headset			945	694				40.0D	278	529	416
Samsung Tablet	Jul 15		-	-	590			33.0P	195	195	395
ViewSonic monitor and clamp	Feb 16		-	-	1,320			20.0P	109	109	1,211
Prodesk 600 PC (x3)	Apr 16		-	-	5,941			33.0P	487	487	5,454
			85,626	19,453	7,720	(113)			7,656	73,449	19,404

This supplementary schedule does not form part of the financial statements

**Statement of property, plant and equipment**

for the year ended 30 June 2016

	Date	Private use	Original Cost	Opening WDV	Additions/(sales)	Profit/(loss) on sale	Capital Gain/(loss)	Depn method	Depn	Accum Depn	Closing WDV
<b>Furniture and fittings</b>											
Desk and Drawer Unit			497	251				13.0D	33	279	218
Utility room shelving			2,210	1,000				20.0D	200	1,410	800
8 Steelcase Thick Chair - Black Base, Fixed Arms			6,392	3,436				16.0D	550	3,506	2,886
Office furniture for L4 Sybase House			32,420	17,686				16.0D	2,830	17,564	14,856
Office furniture for L4 Sybase House			3,873	2,113				16.0D	338	2,098	1,775
Prints for office			4,564	2,259				20.0D	452	2,757	1,807
Artwork for office			2,600	2,600				E	-	-	2,600
Furniture for L4 Sybase House			4,716	3,454				13.0D	449	1,711	3,005
Artwork for foyer			1,957	1,957				E	-	-	1,957
Bar stools			2,040	1,878				16.0D	300	462	1,578
Barleaner			2,999	2,720				16.0D	435	714	2,285
Coffee machine			522	511				25.0D	128	139	383
Desk components			2,072	1,908				16.0D	305	469	1,603
Kitchen cupboards			1,009	950				10.0D	95	154	855
Refrigerator			904	754				25.0D	189	339	565
Rollerblinds			1,112	834				25.0D	209	487	625
Desks			909	688				13.0D	89	310	599
Coffee table	Apr 16		-	-	659			8.5P	14	14	645
			70,796	44,999	659				6,616	32,413	39,042
<b>Commercial fit-out</b>											
Design and project management of fit-out of L4 Sybase House			20,595	14,139				10.0D	1,414	7,870	12,725
Design for fit-out of L4 Sybase House			1,175	815				10.0D	82	442	733
Fit-out of L4 Sybase House			69,959	48,896				10.0D	4,890	25,953	44,006
Refurbishment of L4 Sybase House Foyer			3,297	2,845				10.0D	285	737	2,560
FSCL meeting room			14,339	13,628				10.0D	1,363	2,074	12,265
Sky reciever			595	557				13.0D	72	110	485
			109,961	80,881					8,106	37,186	72,775
<b>Total Property Plant and Equipment</b>			<b>266,382</b>	<b>145,333</b>	<b>8,379</b>	<b>(113)</b>			<b>22,378</b>	<b>143,048</b>	<b>131,220</b>

This supplementary schedule does not form part of the financial statements

**INDEPENDENT AUDITOR'S REPORT**  
**To the Shareholder of Financial Services Complaints Limited**

We have audited the special purpose financial statements of Financial Services Complaints Limited ("the Company"), which comprise the statement of financial position as at 30 June 2016, and the statement of comprehensive income, and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Directors' Responsibility for the Financial Statements**

The directors are responsible for the preparation of these financial statements in accordance with the stated accounting policies and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view of the matters to which they relate 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.


Other than in our capacity as auditor we have no relationship with, or interests in, Financial Services Complaints Limited.

**Opinion**

In our opinion, the financial statements of the Company for the year ended on 30 June 2016 are prepared, in all material respects, in accordance with the stated accounting policies.

**Basis of Accounting and Restriction on Distribution and Use**

Without modifying our opinion, we draw attention to the statement of accounting policies on the financial statements, which describes the basis of accounting. The financial statements have been prepared for determining taxable income and reporting information to members. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Company and should not be distributed to or used by parties other than the Company.



BDO WELLINGTON  
26 August 2016  
Wellington  
New Zealand