

Student Association of the Nelson-Marlborough
Institute of Technology INC (SANITI)
Performance Report
For the year ended 31 December 2018

Savage & Savage
CHARTERED ACCOUNTANTS

*STUDENT ASSOCIATION OF THE NELSON-MARLBROUGH
INSTITUTE OF TECHNOLOGY INC (SANITI)
PERFORMANCE REPORT 2018*

CONTENTS

ENTITY INFORMATION	3
STATEMENT OF SERVICE PERFORMANCE.....	4
STATEMENT OF FINANCIAL PERFORMANCE	6
STATEMENT OF FINANCIAL POSITION	8
STATEMENT OF CASH FLOWS	9
STATEMENT OF ACCUMULATED FUNDS	10
SCHEDULE OF PROPERTY, PLANT & EQUIPMENT	11
NOTES TO THE FINANCIAL STATEMENTS	13
AUDITORS REPORT	17

ENTITY INFORMATION

LEGAL NAME:	Student Association of the Nelson-Marlborough Institute of Technology Incorporated
OTHER NAME:	SANITI
REGISTRATION NUMBER:	CC10690
MISSION:	To provide resources, advice, information and advocacy support to student members in need. To provide activities which foster the social, sporting and recreational life of student members.
ENTITY STRUCTURE:	The entity's leadership is comprised of a Student President and a Vice President who are governed by the Executive Committee. The Association Manager reports to the President and is employed to manage the day- to-day operations of the entity.
SOURCES OF CASH AND RESOURCES:	Service income from NMIT, advertising income from Student Diary & magazine publications and event sponsorship.
METHODS USED TO RAISE FUNDS:	Services provided to NMIT, advertising space sold and sponsorship received from local businesses.
VOLUNTEERS AND DONATED GOODS AND SERVICES:	The entity remunerates all staff and receives volunteer hours from Executive and Programme Representatives but does not receive any significant donations.
CONTACT ADDRESS:	322 Hardy Street Nelson 7010
CHARTERED ACCOUNTANT:	Savage & Savage Chartered Accountants Nelson
BANKERS:	ASB
AUDITOR:	Signal & Associates

**STATEMENT OF SERVICE PERFORMANCE
 FOR THE YEAR ENDED 31 DECEMBER 2018**

OUTCOMES:

To provide friendly independent support, advocacy and employment services for students.

To offer fun social events to student members and provide activities for international students that create a strong integrated campus culture.

To independently represent the student voice and foster collaborative student engagement through effective communication.

To extend service provision to include students studying at Global Campus (GC) in Auckland

OUTPUTS:

	Actual This Year	Budget This Year	Actual Last Year
Independent advocacy and support services provided to student members	<ul style="list-style-type: none"> • 500 Cases • 85 Programme Reps • 5 Training sessions • 12 Meetings • 10 Committees • Service provision included GC • \$190,516 Applied 	<ul style="list-style-type: none"> • 460 Cases • 120 Programme Reps • 5 Training sessions • 12 Meetings • 7 Committees • Service provision included GC • \$181,600 Budget 	<ul style="list-style-type: none"> • 542 Cases • 117 Programme Reps • 9 Training sessions • 18 Meetings • 7 Committees • Service provision included GC • \$183,315 applied
Hold interactive and fun social events for student body	<ul style="list-style-type: none"> • 75 Events held • 1890 Students participated • 11,110 Food servings • Service provision included GC • \$164,218 Applied 	<ul style="list-style-type: none"> • 65 Events held • 1700 Students participated • 10,000 Food servings • Service provision included GC • \$156,050 Budget 	<ul style="list-style-type: none"> • 64 Events held • 1,870 Students participated • 12,570 Food servings • Service provision included GC • \$158,454 Applied
Provide Employment Information service to assist students seeking jobs	<ul style="list-style-type: none"> • 341 Students registered • 572 Students assisted, included class sessions • Service provision included GC • \$67,807 Applied 	<ul style="list-style-type: none"> • 340 Students registered • 450 Students assisted • Service provision included GC • \$66,150 Budget 	<ul style="list-style-type: none"> • 384 Students registered • 444 Students assisted, included class sessions • Service provision included GC • \$78,459 Applied

<p>Provide useful student diary resource and informative campus based magazine for students</p>	<ul style="list-style-type: none"> • 1500 diaries provided to students • Printing costs covered by ad revenue • Further developed information through electronic screens 	<ul style="list-style-type: none"> • 1500 diaries provided to students • Printing costs covered by ad revenue • Further develop information through electronic screens 	<ul style="list-style-type: none"> • 1,800 diaries provided to students • Printing costs covered by ad revenue • Further developed information through electronic screens
<p>Provide activities for International students to socialise and discover the regions</p>	<ul style="list-style-type: none"> • 13 Activities provided for Nelson and Marlborough students • \$13,028 Applied 	<ul style="list-style-type: none"> • 13 Activities provided for Nelson and Marlborough students • \$12,800 Budget 	<ul style="list-style-type: none"> • 17 Activities provided (3 trips combined for Marlborough students, at their request, to allow for boat trip) • \$17,643 Applied
<p>Provide independent representative voice and engage students</p>	<ul style="list-style-type: none"> • 2 Student Executive elections • 8 Executive meetings • 1 Strategic & Operational planning session • 2 General meetings • \$40,915 Applied 	<ul style="list-style-type: none"> • 2 Student Executive elections • 11 Executive meetings • 1 Strategic & Operational planning session • 2 General meetings • \$20,000 Budget 	<ul style="list-style-type: none"> • 2 Student Executive elections • 11 Executive meetings • 1 Strategic & Operational planning session • 2 General meetings • Constitutional Review completed and approved • \$30,930 Applied

This statement is to be read in conjunction with the Notes to the Financial Statements and Auditors Report.

28 March 2019

A

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2018**

	<u>2018</u>	<u>2017</u>
INCOME		
Service Level Agreement	403,808	408,000
Interest Received	25,240	24,823
International Activities	12,792	17,004
Publications (refer to note)	-	9,041
Other Income	-	-
<i>Total Income</i>	<u>441,840</u>	<u>458,868</u>
GROSS PROFIT	441,840	458,868
LESS EXPENSES		
<u>Operating Expenses</u>		
Distant Campuses (refer to note)	19,410	23,224
Advocacy	1,546	2,448
Election/Appointment	3,230	468
Executive Meetings	3,035	2,533
Executive Training	402	2,910
President Employment	2,610	2,102
Class/Programme Rep Meetings	979	1,140
General Meetings	1,837	1,900
Forums	881	232
Functions (refer to note)	6,157	5,508
Health & Safety	1,081	1,689
Orientation/Events (refer to note)	9,297	10,473
Publications (refer to note)	7,169	-
Travel	87	87
Sponsorship/Subsidies	52	26
Recruitment Costs	556	861
Staff Employment	6,377	4,014
Other Employee Costs	15,000	-
Staff Wages	317,995	304,078
Employer Contribution KiwiSaver	8,894	8,082
<i>Total Operating Expenses</i>	<u>406,595</u>	<u>371,775</u>
<u>Administration Expenses</u>		
ACC Levies	860	661
Accountancy & Audit	8,970	9,756
Advertising	51	1,912
Computer Expenses	2,548	2,246
Competitions	435	-
Services	22,518	15,078

Hardship	1,963	3,044
Hospitality	262	358
Insurance	2,629	2,433
Legal Fees	-	1,246
Low Value Assets	1,641	1,372
Office Expenses	285	339
Photocopier Lease	1,529	1,529
Postage	187	174
Printing & Stationery	1,664	1,342
Repairs & Maintenance	385	(1,045)
Subscriptions	270	481
Telephone & Tolls	2,583	2,714
Website	2,520	200
<i>Total Administration Expenses</i>	51,300	43,840
<u>Financial Expenses</u>		
Bank Charges	102	101
Interest Expense	-	-
<i>Total Financial Expenses</i>	102	101
<u>Standing Charges</u>		
Depreciation	6,536	6,159
Loss on Disposal	444	1,365
<i>Total Standing Charges</i>	6,980	7,524
TOTAL EXPENSES	464,977	423,240
OPERATING SURPLUS/(DEFICIT) BEFORE TRANSFERS	\$(23,137)	\$35,628
Less Transfer to Reserve Fund (refer to notes, 2017 budget committed)	-	-
NET SURPLUS/(DEFICIT)	\$(23,137)	\$35,628

This statement is to be read in conjunction with the Notes to the Financial Statements and Auditors Report.

28 March 2019

β

**STATEMENT OF FINANCIAL POSITION
 AS AT 31 DECEMBER 2018**

	<u>2018</u>	<u>2017</u>
EQUITY	\$1,004,170	\$1,027,307
<i>Represented By</i>		
ASSETS		
<u>Current Assets</u>		
ASB Cheque Account	37,710	12,450
ASB Online Saver 050	123,722	157,493
ASB Savings Account 051	42,129	42,087
ASB Term Deposit 72	131,654	126,938
ASB Term Deposit 73	298,070	287,577
ASB Term Deposit 76	195,249	188,441
Petty Cash Float	205	199
Sundry Debtors	3,194	21,644
GST Clearing Account	2,066	-
<i>Total Current Assets</i>	<u>833,999</u>	<u>836,829</u>
<u>Investments</u>		
Portfolio Investments	216,024	213,313
<i>Total Investments</i>	<u>216,024</u>	<u>213,313</u>
<u>Non-Current Assets</u>		
As per Fixed Assets Schedule	23,398	24,126
<i>Total Non-Current Assets</i>	<u>23,398</u>	<u>24,126</u>
TOTAL ASSETS	\$1,073,421	\$1,074,268
LIABILITIES		
<u>Current Liabilities</u>		
Sundry Creditors	56,793	28,794
Annual Leave & Holiday Pay Accrual	12,458	16,752
GST Clearing Account	-	1,415
<i>Total Current Liabilities</i>	<u>69,251</u>	<u>46,961</u>
TOTAL LIABILITIES	\$69,251	\$46,961
NET ASSETS	\$1,004,170	\$1,027,307

This statement is to be read in conjunction with the Notes to the Financial Statements and Auditors Report.

28 March 2019

**STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED 31 DECEMBER 2018**

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from:		
Receipts from Providing Goods or Services	452,415	480,403
Interest and Investment Receipts	25,240	24,823
<i>Cash Flows from Operating Activities</i>	<u>477,655</u>	<u>505,226</u>
Net GST	(5,702)	5,640
Cash was applied to:		
Payments to Suppliers and Employees	447,479	463,058
Grants Paid	1,963	3,043
<i>Cash Outflow from Operating Activities</i>	<u>449,442</u>	<u>466,101</u>
NET CASH FLOW FROM OPERATING ACTIVITIES	\$22,511	\$44,765
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash received from:		
Receipts from Sale of Property, Plant & Equipment	-	-
Receipts from the Sale of Investments	-	-
<i>Cash Flows from Investing Activities</i>	<u>-</u>	<u>-</u>
Cash was applied to:		
Purchase of Property, Plant & Equipment	6,252	1,297
Purchase of Investments	2,711	3,332
<i>Cash Outflow from Operating Activities</i>	<u>8,963</u>	<u>4,629</u>
NET CASH FLOW FROM INVESTING ACTIVITIES	\$(8,963)	\$(4,629)
Opening Cash	814,986	774,850
Plus Net Increase / (Decrease) in Cash	13,548	40,136
Closing Cash	\$828,534	\$814,986
This is represented by:		
Bank Accounts and Cash	\$828,534	\$814,986

This statement is to be read in conjunction with the Notes to the Financial Statements and Auditors Report.

28 March 2019

**STATEMENT OF ACCUMULATED FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2018

	Members Capital	Accumulated Surplus/ Deficits	Reserves	Total
Balance at 1 January 2018	-	363,307	664,000	1,027,307
Capital Contributed by Members	-	-	-	-
Capital Returned to Members	-	-	-	-
Surplus/(Deficit)	-	(23,137)	-	(23,137)
Distributions paid to Members	-	-	-	-
Transfer to Reserves	-	-	-	-
Transfer from Reserves	-	-	-	-
Balance at 31 December 2018	\$-	\$340,170	\$664,000	\$1,004,170

2017

	Members Capital	Accumulated Surplus/ Deficits	Reserves	Total
Balance at 1 January 2017		327,679	664,000	991,679
Capital Contributed by Members				-
Capital Returned to Members				-
Surplus/(Deficit)		35,628		35,628
Distributions paid to Members				-
Transfer to Reserves				-
Transfer from Reserves				-
Balance at 31 December 2017	\$-	\$363,307	\$664,000	\$1,027,307

Breakdown of Reserves

		<u>2018</u>	<u>2017</u>
Reserve Fund	To meet requirements of a Going Concern	624,000	624,000
Corpus Fund	Secured Association	40,000	40,000
		\$664,000	\$664,000

This statement is to be read in conjunction with the Notes to the Financial
Statements and Auditors Report.
28 March 2019

**SCHEDULE OF PROPERTY, PLANT & EQUIPMENT
 AS AT 31 DECEMBER 2018**

Office Equipment	Date Purchased	Cost Price	Accumulated Depreciation	Book Value 01.01.18	Additions Disposals	Gain/Loss Disposal	Rate	Depreciation Months	Amount	Book Value 31.12.18
Filing Draw (Reception)	Apr-05	205	177	28	0	-28	14.4%	DV	0	0
Workstations (x 1)	Dec-06	698	644	54	0	-54	15.5%	DV	0	0
Design Computer	Aug-14	3,017	2,719	298			50.0%	DV	12	149
Office Licence x 6	Sep-14	611	548	63			50.0%	DV	12	31
Microsoft Surface Pro	Apr-15	1,443	1,218	225			50.0%	DV	12	112
1000 Watt Powered Speaker	Jul-15	825	587	238			40.0%	DV	12	95
Acer Aspire 11.6" HD Tablet	Dec-15	1,096	834	262			50.0%	DV	12	131
HP Probook 450 15.6" Laptop	Dec-15	1,347	1,025	322			50.0%	DV	12	161
Website Upgrade	Feb-16	5,215	3,803	1,412			50.0%	DV	12	706
Huawei P9 Grey Phone	Dec-16	547	285	262			50.0%	DV	12	131
Laptop Del Latitude	Apr-17	1,297	486	811			50.0%	DV	12	405
Dell Computers & Monitors x4	Mar-18	6,252			6,252		50.0%	DV	10	3,647
TOTAL OFFICE EQUIPMENT		22,553	12,326	3,975	6,252	-82			4,529	5,616

TOTAL OFFICE EQUIPMENT

Plant & Equipment	Date	Cost Price	Accumulated Depreciation	Book Value 01.01.18	Additions Disposals	Gain/Loss Disposal	Rate	Depreciation Months	Amount	Book Value 31.12.18
Couches (8)	Nov-04	3,911	3,751	160	0	-160	21.6%	DV	0	0
Garden Shed	Aug-06	381	301	80			13.5%	DV	12	69
BBQ - Nelson	May-07	645	544	101			16.0%	DV	12	85
Outdoor Seating (3) - Nelson	Dec-08	1,837	1,684	153			24.0%	DV	12	116
Couches (7) - Nelson	Dec-08	3,571	3,275	296			24.0%	DV	12	225
Chairs (6) - Nelson	Dec-08	4,592	3,929	663			19.2%	DV	12	536
Couches (5) - Marl	Dec-08	2,283	2,094	189			24.0%	DV	12	144
Chairs (2) - Marl	Dec-08	2,717	2,324	393			19.2%	DV	12	318
Hand Held Cordless Mic	Jun-09	760	757	3			48.0%	DV	12	2
Gazebo & 4 Sides	Dec-09	506	503	3			48.0%	DV	12	2
BBQ	Dec-10	835	592	243			16.0%	DV	12	204

Student Association of the Nelson-Marlborough
Institute of Technology INC (SANITI)
Performance Report
For the year ended 31 December 2018

Bean Bags x 7	Jun-11	2,687	1,831	856								137	719
BBQ - Woodburn	Oct-12	503	301	202	0	-202					12	0	0
Camera	Dec-13	814	805	9							12	6	3
Signs (x2)	Dec-13	748	261	487							12	49	438
10 x Inca 2 Seaters	Nov-15	7,050	2,688	4,362							12	872	3,490
Commercial 4 Burner BBQ	Dec-15	605	184	421							12	67	354
Fridge/Freezer	Oct-16	1,278	380	898							12	225	673
Bosh Dishwasher	Dec-16	1,113	354	759							12	228	531
TOTAL PLANT & EQUIPMENT													7,909
<u>Buildings</u>													
Advocacy & Support Office	Dec-16	9,873	0	9,873							N/A	0	9,873
TOTAL BUILDINGS													9,873
TOTALS													23,398
		36,836	26,558	10,278	0	-362						2,007	7,909
		69,262	38,884	24,126	6,252	-444						6,536	23,398

This statement is to be read in conjunction with the Notes to the Financial Statements and Auditors Report.

28 March 2019

NOTES TO THE FINANCIAL STATEMENTS

REPORTING ENTITY

The Student Association of the Nelson-Marlborough Institute of Technology Incorporated (SANITI) is a Registered Charitable Entity with the Charities Commission. The Registration number is CC10690.

The performance report was authorised for issue in accordance with a resolution of the Executive Committee dated 2/11/2019.

STATEMENT OF ACCOUNTING POLICIES

Basis of preparation

The entity 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 less than \$2,000,000.

All transactions are reported using the accrual basis of accounting and the financial statements have been prepared on the assumption that the entity will continue to operate in the foreseeable future.

Historical Cost

These financial statements have been prepared on a historical cost basis. The financial statements are presented in New Zealand dollars (NZ\$) and all values are rounded to the nearest NZ\$, except when otherwise indicated.

Changes in Accounting Policies

There have been no changes in accounting policies which have been applied consistent with those used in previous years.

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services, to the extent it is probable that the economic benefits will flow to the association and revenue can be reliably measured.

Sales of services are recognised in the period by reference to the stage of completion of the transaction at the end of the reporting period.

Interest received is recognised as interest accrues, gross of refundable tax credits received.

Accounts Receivable

Accounts receivables are recognised initially at fair value, less an allowance for any uncollectible amounts. Individual debts that are known to be uncollectable are written off in the period that they are identified.

Property Plant and Equipment and Investment Property

Property Plant and Equipment and Investment Property are stated at historical cost less any accumulated depreciation and impairment losses. Historical cost includes expenditure directly attributable to the acquisition of assets, and includes the cost of replacements that are eligible for capitalisation when these are incurred.

Depreciation is calculated on a diminishing value basis over the estimated useful life of the asset using depreciation rate published by Inland Revenue. The rates are as stated in the Property Plant and Equipment and Investment Property schedule.

Any gain or loss arising on derecognition of Property Plant and Equipment or Investment Property is included in profit or loss in the year the asset is derecognised.

Financial Instruments – Financial Assets

Financial assets are measured initially at fair value, estimated at the transaction price less any associated transaction costs.

After initial recognition financial assets are valued at fair value with gains and losses recognised in profit or loss for movements in the fair value of the assets and when the assets are derecognised.

Goods and Services Tax

All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

Income Tax

The entity 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 short term deposits with original maturities of 90 days or less).

Commitments and Contingencies

Some items paid for between January and March 2019 have not been accounted for in the Financial Statements, however, they were budgeted for in the year ended 31 December 2018. The amount involved is \$9,429 inclusive of GST (2017: \$20,161)

The following items invoiced between January and March 2019 have not been accounted for in the Financial Statements, however, they were budgeted for in the year ended 31 December 2018. The amount involved is \$2,530 inclusive of GST (2017: Nil)

Subsequent Events

There were no events that occurred after balance date that would have a material impact on the performance reports (2017 events: Nil)

Related Parties

There were no transactions involving related parties during the year (2017: Nil).

Analysis of Income and Expenses

The gross income and expense amounts for the net figures disclosed on the Statement of Financial Performance are detailed below:

	<u>2018</u>	<u>2017</u>
Distant Campus		
Income	2,080	4,600
Less Expenses	(21,490)	(27,824)
Net Income/(Expense)	\$(19,410)	\$(23,224)
Publications – Diary		
Income	-	9,054
Less Expenses	(8,104)	(13)
Net Income/(Expense)	(8,104)	\$9,041
Publications – Wall Planner / discount diary		
Income	935	-
Less Expenses	-	(-)
Net Income/(Expense)	935	\$-
Orientation/Events		
Income	16,757	20,854
Less Expenses	(26,053)	(31,327)
Net Income/(Expense)	\$(9,296)	\$(10,473)
Functions		
Income	-	5,400
Less Expenses	(6,157)	(10,908)
Net Income/(Expense)	\$(6,157)	\$(5,508)

These notes are to be read in conjunction with the Auditors Report.

28 March 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of the Student Association of the Nelson - Marlborough Institute of Technology Incorporated

Report on the Performance Report

Opinion

We have audited the performance report of the Student Association of the Nelson - Marlborough Institute of Technology Incorporated (the Association) on pages 3 to 16, 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 December 2018, the statement of financial position as at 31 December 2018, and the statement of accounting policies and other explanatory information.

In our opinion:

- a) the reported outcomes and outputs, and quantifications of the outputs to the extent practicable, in the statement of service performance are suitable;
- b) the accompanying performance report presents fairly, in all material respects, and gives a true and fair view of:
 - the entity information for the year then ended;
 - the service performance for the year then ended; and
 - the financial position of the Association as at 31 December 2018, and 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.

Basis for Opinion

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 Association 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.

Our firm has also acted as returning officer for Executive elections. Other than this and in our capacity as auditor we have no relationship with, or interests in, the Association.

Responsibilities of the Executive Committee for the Performance Report

The Executive Committee 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 and fair presentation of the performance report on behalf of the entity, 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
- © such internal control as the Executive Committee 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 Executive Committee are responsible on behalf of the Association for assessing the Association'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 Executive Committee either intend to liquidate the Association, or to cease operations, or have no realistic alternative but to do so.

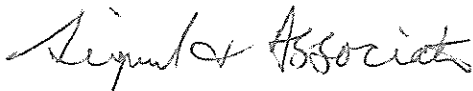
Auditor's Responsibilities for the Audit of the Performance Report

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 Executive Committee and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association'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 Association 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 Executive Committee 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.



SIGNAL & ASSOCIATES
NELSON
28 March 2019

