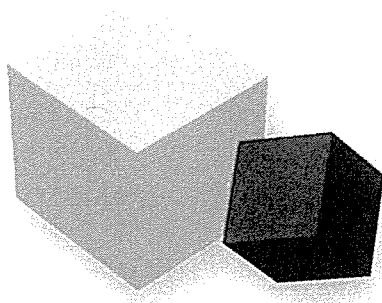


*STUDENT ASSOCIATION OF THE NELSON-MARLBROUGH
INSTITUTE OF TECHNOLOGY INC (SANITI)
PERFORMANCE REPORT 2022*



"We talk your language"

CONTENTS

ENTITY INFORMATION.....	3
STATEMENT OF SERVICE PERFORMANCE	4
STATEMENT OF FINANCIAL PERFORMANCE.....	7
STATEMENT OF FINANCIAL POSITION.....	9
STATEMENT OF CASH FLOWS	10
STATEMENT OF ACCUMULATED FUNDS.....	11
SCHEDULE OF PROPERTY, PLANT & EQUIPMENT.....	12
NOTES TO THE FINANCIAL STATEMENTS.....	14
AUDITORS REPORT	18

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 General 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 and Ara, advertising income from Student wallplanner, publications and event sponsorship.
METHODS USED TO RAISE FUNDS:	Services provided to NMIT and Ara, 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:	Barry Signal

STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2022

OUTCOMES:

While there were no national lockdowns for COVID-19 in 2022, COVID-19 continued to impact on academic delivery and individual students' study, with many being required to self-isolate for 7-14 days at different times throughout the year.

In conjunction with NMIT, SANITI was actively involved in the distribution of the HAFL domestic hardship fund in Semester One. SANITI hardship fund was used to support international and domestic students in Semester Two. Conditions of the fund were tightened to reflect the reduction in funds available.

SANITI provided full-service provision on the NMIT campuses including extension of provision to the Richmond campus. Online provision for students was further developed and will continue to be maintained as part of the standard service provision moving forward. SANITI online engagement continued in 2022.

The event programme for NMIT students was delivered on campus under COVID-19 restrictions and online throughout the year. International Activities scheduled during the restricted periods were postponed, opened to domestic students and some activities were delivered in conjunction with the MoE International Wellbeing Fund, with NMIT approval.

Demand for the Employment Information Service for NMIT students were steady in 2022, with the Association seeing an increase in demand leading up to the summer break.

SANITI renewed the Service Level Agreement (SLA) for the delivery of independent advocacy and support services for Ara students. SANITI continued to employ a full-time advocate based on Ara's main campus in Christchurch.

Independent student voice was fostered throughout 2022. Student Executive and General Meetings were held, as scheduled. 2022 included national representation on Te Pūkenga working groups. SANITI Advisory Board actively worked with the Student Executive and Management Staff.

	Actual this year 2022	Budget this year 2022	Actual last year 2021
Advocacy and Legal Advice Advocating on behalf of individual students and groups of students, and providing independent support to resolve problems	<ul style="list-style-type: none"> 2489 cases (incl. hardship) 89 Programme Reps 3 Trainings 12 Meetings (onsite + online) 8 Committees (onsite + online) Includes additional hardship from savings \$276,166 Applied 	<ul style="list-style-type: none"> 1600 cases 90 Programme Reps 4 Trainings 8 Meetings 8 Committees Included an additional 1FTE staff member \$243,000 Budget 	<ul style="list-style-type: none"> 2379 cases (incl. hardship) 91 Programme Reps 3 Trainings 11 Meetings (onsite + online) 8 Committees (onsite + online) \$181,406 Applied
Sports, recreation and cultural activities Organise interactive events - orientations, sports/recreation and cultural activities	<ul style="list-style-type: none"> 75 Events held 1805 Students 9003 Food servingsⁱ \$189,646 Applied 	<ul style="list-style-type: none"> 45 Events 1500 Students 8000 Food servings 174,440 Budgeted 	<ul style="list-style-type: none"> 67 Events held 1695 Students 8697 Food servings \$158,229 Applied
Employment Information Providing information to assist students seeking employment opportunities	<ul style="list-style-type: none"> 162 Students registered 252 students assisted (includes class sessions)ⁱⁱ \$70,992 Applied 	<ul style="list-style-type: none"> 250 Students registered 330 students assisted (includes class sessions) 68,000 Budgeted 	<ul style="list-style-type: none"> 247 Students registered 326 students assisted (includes class sessions) \$58,574 Applied
Media Provide useful student Wall planner and informative publications	<ul style="list-style-type: none"> 1500 wall planners 1000 brochures Further developed information through electronic media Printing costs - Applied \$1,322 	<ul style="list-style-type: none"> 1500 wall planners provided to students Further developed information through electronic media Printing costs Budgeted \$2,000 	<ul style="list-style-type: none"> 1500 wall planners 1000 brochures Further developed information through electronic media Printing costs - \$1868 Applied
International Activities Provide activities for international students to socialise, support wellbeing and discover the regions	<ul style="list-style-type: none"> 14 activities provided for Nelson, Richmond and Marlborough studentsⁱⁱⁱ \$18,431 Applied 	<ul style="list-style-type: none"> 11 activities provided for Nelson and Marlborough students \$18,000 Budgeted 	<ul style="list-style-type: none"> 11 activities provided for Nelson and Marlborough students \$14,100 Applied
Advocacy and Legal Advice - Ara Advocating on behalf of individual students and groups of students, and providing Independent support to resolve problems	<ul style="list-style-type: none"> 667 cases (inc. drop in's) 1 working party (complaints procedure) \$98,940 Applied 	<ul style="list-style-type: none"> 500 cases (inc. drop in's) 1 working party Increased offsite provision \$97,760 Budgeted 	<ul style="list-style-type: none"> 569 cases (inc. drop in's) 1 working party (Policy development) Increased offsite provision \$73,553 Applied

Independent representation Independent representation of the student voice and collaborative student engagement through effective communication	<ul style="list-style-type: none"> ▪ 2 Student Executive elections ▪ 7 Executive meetings ^{iv} ▪ 1 Strategic & Operational planning session ▪ 2 General meetings ▪ Advisory Board ▪ Te Pūkenga representation ^v ▪ Applied \$12,146 	<ul style="list-style-type: none"> ▪ 2 Student Executive elections ▪ 10 Executive meetings ▪ 1 Strategic & Operational planning session ▪ 2 General meetings ▪ Advisory Board ▪ RoVE/Te Pūkenga representation ▪ \$13,000 Budget 	<ul style="list-style-type: none"> ▪ 2 Student Executive elections ▪ 7 Executive meetings ▪ 1 Strategic & Operational planning session ▪ 2 General meetings ▪ Advisory Board ▪ RoVE/Te Pūkenga representation ▪ \$12,950 applied
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This statement is to be read in conjunction with the Notes to the Financial Statements and Auditors Report.

31 March 2023

ⁱ Event schedule included additional online activities and modified 2021 graduation functions delivered in February 2022.

ⁱⁱ Demand for the Employment Information Service for NMIT students were steady in 2022, with the Association seeing an increase in demand leading up to the summer break.

ⁱⁱⁱ International Activities schedule during the lock-down periods were postponed, opened to domestic students with some delivered, in conjunction with the MoE International Wellbeing Fund. Funds applied refer to SANITI expenditure for this service provision only.

^{iv} Student Executive impacted by COVID-19 and disruption to study programmes, resulting in a reduced number of meetings held.

^v Meetings held online which reduced cost for representation.

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2022**

	<u>2022</u>	<u>2021</u>
INCOME		
Service Level Agreement	487,040	395,540
Service Level Agreement - ARA	97,596	87,547
Interest Received	20,186	10,424
International Activities	16,500	14,000
Sundry Income	922	476
<i>Total Income</i>	622,244	507,987
GROSS PROFIT	622,244	507,987
LESS EXPENSES		
<u>Operating Expenses</u>		
Distant Campuses (refer to note)	11,060	9,275
Advocacy	1,630	718
Advisory Board	4,173	1,587
Election/Appointment	3,129	560
Executive Meetings	1,455	1,010
Executive Training	153	84
President Employment	390	218
Class/Programme Rep Meetings	1,161	1,868
General Meetings	2,145	927
Forums	164	351
Functions	8,034	7,152
Health & Safety	2,380	206
NZUSA	-	9,496
Orientation/Events (refer to note)	13,939	27,130
Publications (refer to note)	317	327
Sponsorship/Subsidies	130	188
Recruitment Costs	2,183	1,396
Covid Wage Subsidies	(3,359)	-
Staff Employment	2,630	8,744
Staff Wages	478,931	361,222
Employer Contribution KiwiSaver	12,025	8,037
<i>Total Operating Expenses</i>	542,668	440,496
<u>Administration Expenses</u>		
ACC Levies	830	915
Accountancy & Audit	8,964	8,066
Advertising	3,428	3,480
Bad Debt	375	
Computer Expenses	7,554	2,228

Competitions	104	492
Services	10,575	14,701
Services Professional	5,689	-
Hardship	40,838	8,765
Hospitality	-	276
Insurance	4,790	3,664
Legal Fees	-	-
Low Value Assets	2,518	829
Office Expenses	155	555
Photocopier Lease	972	1,486
Postage	-	45
Printing & Stationery	204	1,045
Repairs & Maintenance	592	369
RoVE	127	304
Subscriptions	365	451
Sundry Expenses	-	50
Telephone & Tolls	2,871	2,166
Website	4,622	1,621
<i>Total Administration Expenses</i>	<u>95,575</u>	<u>51,508</u>
<u>Financial Expenses</u>		
Bank Charges	30	35
<i>Total Financial Expenses</i>	<u>30</u>	<u>35</u>
<u>Standing Charges</u>		
Depreciation	3,766	2,272
Loss on Disposal	316	664
<i>Total Standing Charges</i>	<u>4,082</u>	<u>2,936</u>
TOTAL EXPENSES	642,355	494,975
OPERATING SURPLUS/(DEFICIT) BEFORE TRANSFERS	\$(20,111)	\$13,012
Less Transfer to Reserve Fund	-	13,012
NET SURPLUS/(DEFICIT)	\$(20,111)	\$-

This statement is to be read in conjunction with the Notes to the Financial Statements and Auditors Report.
31 March 2023

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022**

	<u>2022</u>	<u>2021</u>
EQUITY	\$990,393	\$1,010,504
<i>Represented By</i>		
ASSETS		
<u>Current Assets</u>		
ASB Cheque Account	52,800	74,458
ASB Online Saver 050	17,162	51,916
ASB Savings Account 051	42,461	42,227
ASB Term Deposit 72	144,115	141,250
ASB Term Deposit 73	326,178	318,942
ASB Term Deposit 76	213,647	208,908
ASB Term Deposit 80	227,388	222,770
Petty Cash Float	109	109
Sundry Debtors	1,061	5,624
Stock	2,972	-
GST Clearing Account	2,137	1,043
<i>Total Current Assets</i>	<u>1,030,031</u>	<u>1,067,247</u>
<u>Non-Current Assets</u>		
As per Fixed Assets Schedule	19,847	16,728
<i>Total Non-Current Assets</i>	<u>19,847</u>	<u>16,728</u>
TOTAL ASSETS	\$1,049,878	\$1,083,975
LIABILITIES		
<u>Current Liabilities</u>		
ASB Visa Account	618	330
Income in Advance	-	9,488
Sundry Creditors	40,585	54,077
Annual Leave & Holiday Pay Accrual	18,282	9,576
<i>Total Current Liabilities</i>	<u>59,485</u>	<u>73,471</u>
TOTAL LIABILITIES	\$59,485	\$73,471
NET ASSETS	\$990,393	\$1,010,504

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

31 March 2023

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from:		
Receipts from Providing Goods or Services	625,087	523,452
Interest and Investment Receipts	15,523	9,886
<i>Cash Flows from Operating Activities</i>	<u>640,610</u>	<u>533,338</u>
Net GST	(2,910)	4,859
Cash was applied to:		
Payments to Suppliers and Employees	671,142	495,163
Grants Paid	-	-
<i>Cash Outflow from Operating Activities</i>	<u>671,142</u>	<u>495,163</u>
NET CASH FLOW FROM OPERATING ACTIVITIES	<u>\$(33,442)</u>	<u>\$43,034</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash received from:		
Receipts from the Sale of Investments	-	221,530
<i>Cash Flows from Investing Activities</i>	<u>-</u>	<u>221,530</u>
Cash was applied to:		
Purchase of Property, Plant & Equipment	3,276	1,796
Purchase of Investments	-	221,530
<i>Cash Outflow from Operating Activities</i>	<u>3,276</u>	<u>223,326</u>
NET CASH FLOW FROM INVESTING ACTIVITIES	<u>\$(3,276)</u>	<u>\$(1,796)</u>
Opening Cash	1,060,471	1,019,233
Plus Net Increase / (Decrease) in Cash	<u>(36,719)</u>	<u>41,238</u>
Closing Cash	<u>\$1,023,752</u>	<u>\$1,060,471</u>
This is represented by:		
Bank Accounts and Cash	<u>\$1,023,752</u>	<u>\$1,060,471</u>

This statement is to be read in conjunction with the Notes to the Financial Statements and Auditors Report. 31 March 2023

**STATEMENT OF ACCUMULATED FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Members Capital	Accumulated Surplus/ Deficits	Reserves	Total
Balance at 1 January 2022	-	311,352	699,152	1,010,504
Capital Contributed by Members				-
Capital Returned to Members				-
Surplus/(Deficit)		(20,111)		(20,111)
Prior period adjustments				-
Distributions paid to Members				-
Transfer to Reserves				-
Transfer from Reserves				-
Balance at 31 December 2022	\$-	\$291,241	\$699,152	\$990,393

2021

	Members Capital	Accumulated Surplus/ Deficits	Reserves	Total
Balance at 1 January 2021	-	311,352	686,140	997,492
Capital Contributed by Members				-
Capital Returned to Members				-
Surplus/(Deficit)				-
Distributions paid to Members				-
Transfer to Reserves			13,012	13,012
Transfer from Reserves				
Balance at 31 December 2021	\$-	\$311,352	\$699,152	\$1,010,504

Breakdown of Reserves

		<u>2022</u>	<u>2021</u>
Reserve Fund	To meet requirements of a Going Concern	659,152	659,152
Corpus Fund	Secured Association	40,000	40,000
		\$699,152	\$699,152

This statement is to be read in conjunction with the Notes to the Financial
Statements and Auditors Report.
31 March 2023

SCHEDULE OF PROPERTY, PLANT & EQUIPMENT AS AT 31 DECEMBER 2022

	Date Purchased	Cost Price	Accumulated Depreciation	Book Value 01.01.22	Additions Disposals	Gain/Loss Disposal	Rate	Depreciation Months	Amount	Book Value 31.12.22
<u>Office Equipment</u>										
Office Licence x 6	Sep-14	611	608	3			50.0%	DV	12	2
1000 Watt Powered Speaker	Jul-15	825	794	31			40.0%	DV	12	19
Website Upgrade	Feb-16	5,215	5,127	88		88	50.0%	DV	0	0
Dell Computers & Monitors x4	Mar-18	6,252	5,797	455		228	50.0%	DV	12	114
Surface Pro 7	Dec-19	2,539	1,931	608			50.0%	DV	12	304
HP ProBook 430 (Presidents)	Nov-21	1,796	150	1,646			50.0%	DV	12	823
Surface Pro Advocacy	Feb-22	2,570			2,570		50.0%	DV	11	1,178
HP Notebooks (x2)	Oct-22	4,630			4,630		50.0%	DV	3	579
										4,051
TOTAL OFFICE EQUIPMENT		24,438	14,407	2,831	7,200	316			3,012	6,703
<u>Plant & Equipment</u>										
Garden Shed	Aug-06	381	336	45			13.5%	DV	12	6
Outdoor Seating (3) - Nelson	Dec-08	1,837	1,786	51			24.0%	DV	12	39
Chairs (2) - Marl	Dec-08	2,717	2,549	168			19.2%	DV	12	32
BBQ	Dec-10	835	714	121			16.0%	DV	12	19
Bean Bags x 7	Jun-11	2,687	2,261	426			16.0%	DV	12	68
Signs (x2)	Dec-13	748	429	319			10.0%	DV	12	32
10 x Inca 2 Seaters	Nov-15	7,050	5,263	1,787			20.0%	DV	12	357
Commercial 4 Burner BBQ	Dec-15	605	396	209			16.0%	DV	12	33
Fridge/Freezer	Oct-16	1,278	994	284			25.0%	DV	12	71
Bosh Dishwasher	Dec-16	1,113	931	182			30.0%	DV	12	55
BBQ	Apr-19	695	263	432			16.0%	DV	12	69
										363
TOTAL PLANT & EQUIPMENT		19,946	15,922	4,024	0	0			754	3,270

<u>Buildings</u>	Dec-16	9,873	0	9,873	N/A	0	9,873
Advocacy & Support Office							
TOTAL BUILDINGS		9,873	0	9,873	0	0	9,873
TOTALS		54,257	30,329	16,728	7,200	316	3,766
							19,846

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

30 March 2022



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 __/__/2023.

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.

Inventories

Inventories are stated at the lower of cost, or net realisable value on a first in first out basis.

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 2023 have not been accounted for in the Financial Statements, however, they were budgeted for in the year ended 31 December 2022. The amount involved is \$Nil inclusive of GST (2021: \$4,264)

There were nil budgeted debtors for the year ended 31 December 2022 (2020: \$nil).

Subsequent Events

There were no events that occurred after balance date that would have a material impact on the performance reports (2021 events: Nil)

Related Parties

There were no transactions involving related parties during the year (2021: 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>2022</u>	<u>2021</u>
Distant Campus		
Income	0	258
Less Expenses	(11,060)	(9,533)
Net Income/(Expense)	<u>\$(11,060)</u>	<u>\$(9,275)</u>

Publications – Wall Planner

Income	1,005	1,167
Less Expenses	(1,322)	(1,494)
Net Income/(Expense)	<u>\$(317)</u>	<u>\$(327)</u>

Orientation/Events

Income	23,487	9,584
Less Expenses	(37,426)	(36,714)
Net Income/(Expense)	<u>\$(13,939)</u>	<u>\$(27,130)</u>

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

31 March 2023

Barry Signal
Chartered Accountant
10 Vista Drive
Bishopdale
Nelson 7011

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

I have audited the performance report of the Student Association of the Nelson - Marlborough Institute of Technology Incorporated (the Association) on pages 3 to 17, 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 2022, the statement of financial position as at 31 December 2022, and the statement of accounting policies and other explanatory information.

In my 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 2022, 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

I conducted my 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). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Performance Report* section of my report. I am 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 I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

I have also acted as returning officer for Executive elections. Other than this and in my capacity as auditor I 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

My 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 my 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), I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the performance report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I 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 I identify during my audit.


BARRY SIGNAL

NELSON

31 March 2023