

# Tertiary Students Christian Fellowship NZ Inc

## Performance Report

For the year ended  
31 December 2017

### Contents

	Page
<b>Non-Financial Information:</b>	
Entity Information	2-4
Statement of Service Performance	5-6
<b>Financial Information:</b>	
Statement of Financial Performance	7
Statement of Financial Position	8
Statement of Cash Flows	9
Statement of Accounting Policies	10
Notes to the Performance Report	11-18

## Tertiary Students Christian Fellowship NZ Inc

### Entity Information

For the year ended  
31 December 2017

**Legal Name of Entity:**

Tertiary Students Christian Fellowship NZ Inc.

**Other Name of Entity (if any):**

TSCF

**Type of Entity and Legal Basis (if any):**

Incorporated Society, Registered Charity

**Registration Number:**

CC23673

**Entity's Purpose or Mission:**

Tertiary Students Christian Fellowship's vision is to help thousands of students become servant leaders of character through the transforming gospel of Christ. Following personal conversion and guided by biblical wisdom, they will integrate faith, study, work and life, and bring cultural renewal to New Zealand's tertiary institutions.

**Entity Structure:**

TSCF is an incorporated society with membership made of staff and volunteers, governed by a board and managed by a staff team.

## Tertiary Students Christian Fellowship NZ Inc

### Entity Information

For the year ended  
31 December 2017

#### **Main Sources of the Entity's Cash and Resources:**

TSCF's main sources of cash and resources are donations from individuals, churches, trusts, legacies, minterns and other. In addition, TSCF obtains income from rental activities, event revenues, contract income, sale of books and advertising. Our administration costs are covered by donations to General Funds.

#### **Main Methods Used by the Entity to Raise Funds:**

TSCF did not conduct specific fundraising activities this year.

#### **Entity's Reliance on Volunteers and Donated Goods or Services:**

TSCF relies on gifts of volunteer time and expertise to complete its work in many essential roles including governance (board members, finance committees) and operational (bible study and event leadership)

## Tertiary Students Christian Fellowship NZ Inc

### Entity Information

For the year ended  
31 December 2017

#### Contact details

Physical Address:	9A Oxford Terrace, Mount Cook, Wellington 6021
Postal Address:	TSCF Wellington, PO Box 9672, Marion Square, Wellington 6141
Phone/Fax:	04 384 7274
Email/Website:	tscf@tscf.org.nz www.tscf.org.nz
	TSCF (Tertiary Students Christian Fellowship)
	@tscf_nz

**Tertiary Students Christian Fellowship NZ Inc**  
**Statement of Service Performance**

For the year ended  
**31 December 2017**

**Outcome 1: True Witness**

The gospel calls Christian students and graduates to a unity of speech, actions and character that grabs the world's attention and asks everyone to respond to the good news. True witness pays attention to all of the gospel's implications.

TSCF pursues true witness through its training, resources and holistic approach to discipling student leaders.

<u>Outputs:</u>	<u>31 December 2017</u>	<u>31 December 2016</u>
<b>Teams:</b>		
Regional teams completing grassroots ministries	7	7
<b>Outreach events:</b>		
Launch	4	1
Outreach project	1	1
In 2017 the Outreach project was the development and production of Mark Drama initiative.		

**Outcome 2: Undivided Life**

Reconciliation is at the heart of the good news. The gospel "undivides" the fragmentation of daily living, the dissolution of community, gender, ethnicity, and denominations. It calls for redeemed and redeeming relationships, which only the risen Christ makes possible.

TSCF supports the interaction between faith and the activities of daily life.

<u>Outputs:</u>	<u>31 December 2017</u>	<u>31 December 2016</u>
<b>Partnering Events:</b>		
Festival One Music Festival	1	1
In 2017 a contemplative space and prayer offered to 2,000 individuals and a Student lounge as a place to connect with other students		
<b>Outreach events:</b>		
Launch	4	1
Outreach project	1	1
In 2016 the Outreach project was the printing and distribution of St Luke's Gospel to approximately 3,500 students		
<b>Graduate Work: To encourage graduates and promote continued involvement with TSCF</b>		
Catalyst groups	1	1
Catalyst events		
In 2017 the Catalyst event in Auckland and Bay of Plenty	2	7
<b>Leadership Training:</b>		
Summit student leadership conference	1	1
Ministry internships	0	5
Staff Training	1	1
Staff and Families conference	1	1
<b>Property Activities:</b>		
<i>Commercial rental activities:</i> Rental of 9A Oxford St Ground floor	1	1
<i>Residential rental activities:</i>		
Provision of rental accommodation for students: at 2 Kelburn Parade, Wellington and 1037 George St, Dunedin.	2	2

## Tertiary Students Christian Fellowship NZ Inc

### Statement of Service Performance

For the year ended  
31 December 2017

#### Outcome 3: Deep Thought

The scriptures shine light on how to think about every area of life, from studies and career to lifestyle, morality and social justice. We reject an unreflective faith. TSCF provokes deep thought in students and graduates, from one-to-one conversations to training events with respected teachers.

<u>Outputs:</u>	<u>31 December 2017</u>	<u>31 December 2016</u>
<b>Partnering Events:</b>		
Festival One Music Festival	1	1
In 2017 a contemplative space and prayer offered to 2,000 individuals and Student Lounge		
Christian Medical Fellowship Student Conference	1	1
<b>Communications:</b>		
Canvas Magazine	3	3
Annual report	1	1
Website	1	1
<b>Retail activities:</b>		
Sale of Catalyst Books	121	303
Sale/Distribution of Publications	362	1,912
<b>Property Activities:</b>		
<i>Commercial rental activities:</i> Rental of 9A Oxford St Ground floor	1	1
<i>Residential rental activities:</i> Provision of rental accommodation for students: at 2 Kelburn Parade, Wellington and 1037 George St, Dunedin.	2	2

#### Outcome 4: Global reach

Generation of TSCFers have brought the gospel to their corners of the globe, whether in New Zealand or in far-flung lands. With the influx of international students, many from places where the gospel is barely known, the world has come to us. A global perspective and calling begins long before graduation. In our events, in our partnership with other mission organisations, and especially in our participation with IFES, TSCF shares a gospel with global reach.

<u>Outputs:</u>	<u>31 December 2017</u>	<u>31 December 2017</u>
<b>Global outreach activities:</b>		
South Pacific Regional Conference	-	157 participants representing 9 countries
IFES South Pacific Consultation	2 participants	
International Student Outreach	5 groups and 1 partnership	4 groups
IFES World Student Day activities		3
Representation of South Pacific on the Ministry Impact Taskforce	1	1
Representation of TSCF at the Australian Fellowship of Evangelical Students (AFES) national training event	-	1
Representation of TSCF at the Lausanne International Student Ministry Consultation in Charlotte NC USA	2	-

## Tertiary Students Christian Fellowship NZ Inc

### Statement of Financial Performance

For the year ended  
31 December 2017

	Note	<u>31 December 2017</u> \$	<u>31 December 2016</u> \$
<b>Revenue</b>			
Donations and other similar revenue		1,608,654	1,578,562
Fees, subscriptions and other revenue from members	1	14,473	36,807
Revenue from providing goods or services		332,583	321,583
Interest, dividends and other investment revenue		3,212	3,194
Gain on Sale of Assets		300	-
<b>Total Revenue</b>		<b>1,959,222</b>	<b>1,940,146</b>
<b>Expenses</b>			
Expenses related to public fundraising		-	
Volunteer and employee related costs		1,423,873	1,413,357
Costs related to providing goods or services	2	222,199	248,792
Other expenses		280,517	257,344
<b>Total Expenses</b>		<b>1,926,589</b>	<b>1,919,493</b>
<b>Surplus/(Deficit) for the Year</b>		<b>32,633</b>	<b>20,653</b>

**Tertiary Students Christian Fellowship NZ Inc**  
**Statement of Financial Position**

As at  
**31 December 2017**

	Note	<u>31 December 2017</u> \$	<u>31 December 2016</u> \$
<b>Assets</b>			
<b>Current Assets</b>			
Bank accounts and cash	3	195,106	195,842
Debtors and prepayments		59,564	37,928
Inventory		839	517
<b>Total Current Assets</b>		<b>255,509</b>	<b>234,287</b>
<b>Non-Current Assets</b>			
Other non-current assets	3	70,800	70,800
Property, Plant and Equipment	4	593,613	604,357
<b>Total Non-Current Assets</b>		<b>664,413</b>	<b>675,157</b>
<b>Total Assets</b>		<b>919,922</b>	<b>909,444</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Bank overdraft*			
Creditors and accrued expenses	3	33,974	58,795
Employee costs payable		99,927	97,261
<b>Total Current Liabilities</b>		<b>133,901</b>	<b>156,055</b>
<b>Non-Current Liabilities</b>			
Loans	3	70,616	70,616
Other non-current liabilities			
<b>Total Non-Current liabilities</b>		<b>70,616</b>	<b>70,616</b>
<b>Total Liabilities</b>		<b>204,517</b>	<b>226,672</b>
<b>Total Assets less Total Liabilities (Net Assets)</b>		<b>715,405</b>	<b>682,772</b>
<b>Accumulated Funds</b>			
Capital contributed by owners or members		452,542	452,542
Accumulated surpluses or (deficits)	5	(53,617)	(125,844)
Reserves		316,480	356,074
<b>Total Accumulated Funds</b>		<b>715,405</b>	<b>682,772</b>

  
 7/6/18  
  
 7/6/18

## Tertiary Students Christian Fellowship NZ Inc

### Statement of Cash Flows

For the year ended  
31 December 2017

	<u>31 December 2017</u>	<u>31 December 2016</u>
	\$	\$
<b>Cash Flows from Operating Activities</b>		
<b>Cash was received from:</b>		
Donations, fundraising and other similar receipts	1,564,000	1,578,562
Fees, subscriptions and other receipts from members	12,378	34,579
Receipts from providing goods or services	338,916	316,799
Interest, dividends and other investment receipts	3,368	3,426
IFES Donations received	6,158	18,602
Net GST	2,754	-
<b>Cash was applied to:</b>		
Payments to suppliers and employees	1,914,237	1,902,083
IFES Donations paid	6,226	9,774
Donations or grants paid*		
<b>Net Cash Flows from Operating Activities</b>	<b>7,111</b>	<b>40,111</b>
<b>Cash flows from Investing and Financing Activities</b>		
<b>Cash was applied to:</b>		
Payments to acquire property, plant and equipment	7,847	19,153
Repayments of loans borrowed from other parties	-	15,000
<b>Net Cash Flows from Investing and Financing Activities</b>	<b>(7,847)</b>	<b>(34,153)</b>
<b>Net Increase / (Decrease) in Cash</b>	<b>(736)</b>	<b>5,958</b>
<b>Opening Cash</b>	<b>266,642</b>	<b>260,684</b>
<b>Closing Cash</b>	<b>265,906</b>	<b>266,642</b>
<b>This is represented by:</b>		
Bank Accounts and Cash	195,106	195,842
Other non-current assets	70,800	70,800
	<b>265,906</b>	<b>266,642</b>

## Tertiary Students Christian Fellowship NZ Inc

### Statement of Accounting Policies

For the year ended  
31 December 2017

#### Basis of Preparation

Tertiary Students Christian Fellowship NZ Inc has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$2,000,000. All transactions are presented in New Zealand dollars and are rounded to the nearest cent. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future. This assumption is generally dependent on voluntary, goodwill donations from supporters, legacies and other support. Further the approach assumes that adequate donations and cost control over time enables TSCF (NZ) Inc to operate and meet its obligations.

#### Goods and Services Tax (GST)

TSCF is registered for GST. All amounts are recorded exclusive of GST, except for Debtors and Creditors which are stated inclusive of GST.

#### Income Tax

Tertiary Students Christian Fellowship NZ Inc is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

#### Bank Accounts and Cash

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

#### Donations

Donations are recorded as income when funds are received. At TSCF, we serve as part of a team. In the event that any funds are received exceed the purpose for which they are given, they will be deployed where most needed to serve the wider ministry of TSCF. Donations made in foreign currencies are translated into New Zealand currency at the exchange rates ruling at the dates of the transactions.

#### Bequests and Legacies

Bequests and Legacies are recognised as income when probate of the Will has been granted, receipt of the bequest is probable and the amount of the bequest can be measured reliably.

#### Investments

Investments are stated at their closing market value at balance date. Any resulting gain or loss is recognised directly in the Statement of Financial Performance. Where investments are derecognised, the cumulative gain or loss previously recognised in equity is recognised in the Statement of Financial Performance. Where there is no quoted price or active market, these investments are carried at cost less impairment.

#### Stock

Stock on hand is valued at the lower of cost and net realisable value.

#### Fixed Assets

All fixed assets are initially recorded at cost. Land and buildings are subsequently revalued to net current value based on an independent valuation. The revaluation occurs on a systematic basis so that the land and buildings are revalued every three to five years. The last valuation was completed on 31 March 2016.

Fixed assets, other than land, are depreciated over their estimated lives as follows:

- Buildings: 2% Straight Line
- Furniture, Fittings, & Office Equipment: 8%-33% Straight Line
- Motor Vehicle: 20% Straight Line

Fixed asset purchases under \$500 are charged to the Statement of Financial Performance in the year in which they are purchased.

#### Changes in Accounting Policies

There have been no changes in accounting policies during the financial year.

**Tertiary Students Christian Fellowship NZ Inc**  
**Notes to the Performance Report**  
For the year ended  
**31 December 2017**

**Note 1 : Analysis of Revenue**

		<u>31 December 2017</u>	<u>31 December 2016</u>
Revenue Item	Analysis	\$	\$
Donations and other similar revenue	Donations from Minterns	200	8,000
	Donations from Legacies	-	9,056
	Donations from Churches	130,938	107,470
	Donations from Individuals	911,083	833,241
	Donations from Trusts	128,150	136,558
	Donations from Other Sources	438,283	484,237
	<b>Total</b>		<b>1,608,654</b>
Revenue Item	Analysis		
	Fees, subscriptions and		
	Event Income	14,473	36,807
	<b>Total</b>	<b>14,473</b>	<b>36,807</b>
Revenue Item	Analysis		
	Revenue from		
	providing goods or		
	Sale of Advertising	400	800
	Commercial Rental Income	29,167	33,750
	Electricity Income	1,645	1,553
	Residential Rental Income	126,630	117,330
	Contract Income	174,741	168,150
	<b>Total</b>	<b>332,583</b>	<b>321,583</b>
Revenue Item	Analysis		
	Interest, dividends and		
	Interest	3,212	3,194
	<b>Total</b>	<b>3,212</b>	<b>3,194</b>
<b>Total Revenue</b>		<b>1,958,922</b>	<b>1,940,146</b>

**Tertiary Students Christian Fellowship NZ Inc**  
**Notes to the Performance Report**

For the year ended  
**31 December 2017**

**Note 2 : Analysis of Expenses**

		<u>31 December 2017</u>	<u>31 December 2016</u>
<b>Expense Item</b>		<b>\$</b>	<b>\$</b>
Volunteer and employee related costs	Staff Expenses	1,423,873	1,373,931
	Mintern Expenses	-	39,426
	<b>Total</b>	<b>1,423,873</b>	<b>1,413,357</b>
<b>Expense Item</b>	<b>Analysis</b>		
Costs related to providing goods or services	Property Expenses	153,885	144,731
	Hospitality, Kai and Accommodation	68,261	103,332
	Loss on Sale of Books & Publications	53	729
	<b>Total</b>	<b>222,199</b>	<b>248,792</b>
<b>Expense Item</b>	<b>Analysis</b>		
Other expenses	Administration	88,304	82,880
	Fees and Charges	34,390	26,006
	IT Expenses	21,802	20,040
	Travel Expenses	136,021	128,418
	<b>Total</b>	<b>280,517</b>	<b>257,344</b>
<b>Total Expenses</b>		<b>1,926,589</b>	<b>1,919,493</b>

## Tertiary Students Christian Fellowship NZ Inc

### Notes to the Performance Report

For the year ended  
31 December 2017

#### Note 3 : Analysis of Assets and Liabilities

Asset Item	Analysis	31 December 2017 \$	31 December 2016 \$
Bank accounts and cash	Bank of New Zealand	161,642	51,381
	Rabo Bank	33,464	144,460
	<b>Total</b>	<b>195,106</b>	<b>195,842</b>
Debtors and prepayments	Accounts Receivable	26,064	17,104
	Bonds Receivable	17,750	6,750
	GST Refundable	-	2,698
	Prepayments	15,750	11,376
	<b>Total</b>	<b>59,564</b>	<b>37,928</b>
Inventory	Book Stocks	839	517
	<b>Total</b>	<b>839</b>	<b>517</b>
Other non-current assets	Rabo Bank Term Deposit - Maturity 11 December 2018	70,800	70,800
	<b>Total</b>	<b>70,800</b>	<b>70,800</b>

## Tertiary Students Christian Fellowship NZ Inc

### Notes to the Performance Report

For the year ended  
31 December 2017

#### Note 3 : Analysis of Assets and Liabilities

Liability Item	Analysis		
Creditors and accrued expenses	Accounts Payable	9,441	12,128
	Accrued Expenses	11,733	12,462
	Bonds Payable	10,211	3,530
	Funds In Advance	-	4,092
	GST Payable	18	-
	IFES Holding Fund	2,572	8,487
	IFES Student Pledges	-	18,096
	<b>Total</b>	<b>33,974</b>	<b>58,795</b>
Employee costs payable	IRD Payable	27,199	25,801
	Annual Leave Accrued	72,728	71,460
	<b>Total</b>	<b>99,927</b>	<b>97,261</b>
Loans	Supporter Loans	70,616	70,616
	<b>Total</b>	<b>70,616</b>	<b>70,616</b>

**Tertiary Students Christian Fellowship NZ Inc**

**Notes to the Performance Report**

For the year ended  
31 December 2017

**Note 4 : Property, Plant and Equipment**

Asset Class	Opening Carrying Amount	Purchases	Sales/Disposals	Current Year Depreciation and Impairment	Revaluation	31 December 2017		
						Closing Carrying Amount	Current Valuation	Source and Date of Valuation
Land	311,220	-	-	-	-	311,220	311,220	Abbot Kavanagh Rolle Ltd 31 March 2016
Buildings	263,881	-	-	5,358	-	258,523	267,900	Abbot Kavanagh Rolle Ltd 31 March 2013
Motor Vehicles	6,797	-	-	1,736	-	5,061		
Office equipment	22,459	7,847	-	11,497	-	18,809		
<b>Total</b>	<b>604,357</b>	<b>7,847</b>	<b>-</b>	<b>18,591</b>	<b>-</b>	<b>593,613</b>		

Asset Class	Opening Carrying Amount	Purchases	Sales/Disposals	Current Year Depreciation and Impairment	Revaluation	31 December 2016	
						Closing Carrying Amount	
Land					(4,071)	311,220	
Buildings	171,405			4,019	96,495	263,881	
Motor Vehicles	8,533			1,736		6,797	
Office equipment	21,595	11,998	338	10,796		22,459	
<b>Total</b>	<b>201,533</b>	<b>11,998</b>	<b>338</b>	<b>16,551</b>	<b>92,424</b>	<b>604,357</b>	

**Tertiary Students Christian Fellowship NZ Inc**  
**Notes to the Performance Report**

For the year ended  
31 December 2017

**Note 5: Accumulated Funds**

Description	31 December 2017			
	\$			
	Capital Contributed by Owners or Members	Accumulated Surpluses or Deficits	Reserves	Total
Opening Balance	452,542	(125,844)	356,074	682,772
Surplus/(Deficit)		32,633		32,633
Movement in Asset Revaluation			-	-
Transfer to Reserves		39,594	(39,594)	-
<b>Closing Balance</b>	<b>452,542</b>	<b>(53,617)</b>	<b>316,480</b>	<b>715,405</b>

Description	31 December 2016			
	\$			
	Capital Contributed by Owners or Members	Accumulated Surpluses or Deficits	Reserves	Total
Opening Balance	452,542	(84,764)	201,917	569,695
Surplus/(Deficit)		20,653		20,653
Movement in Asset Revaluation			92,424	92,424
Transfer to Reserves		(61,733)	61,733	-
<b>Closing Balance</b>	<b>452,542</b>	<b>(125,844)</b>	<b>356,074</b>	<b>682,772</b>

Breakdown of Reserves		31 December 2017	31 December 2016	Movement
Name	Nature and Purpose	\$	\$	\$
Asset Revaluation	The purpose of the asset revaluation reserve is to bring the fair market value of fixed assets into the accounts.	278,967	278,967	-
Staff Funds	The Staff Support fund is used to track the extent to which a staff member's funding base is generating income for TSCF compared to the funds being used to pay their salary and expenses. The funds originate from donations to TSCF and belong to TSCF.	(127,579)	(36,932)	(90,647)
Catalyst Fund	For donations / expenses made specifically for the graduate ministry of TSCF, usually referred to as Catalyst.	3,641	3,641	-
Lincoln House fund	This fund hold funds donated for the purchase of a house in Lincoln to be used for student accommodation.	35,963	-	35,963
Loan Fund	This fund contains monies donated by supporters specifically to be used for loans to staff members.	9,678	9,678	-
International Fund	This fund contains monies donated to TSCF by supporters specifically for the use by TSCF on International endeavours.	(435)	(435)	-
NZ NCF Fund	NCF contains funds remaining from the Nurses Christian Fellowship which wound up in 2003 and is now used for nursing related causes at the discretion of the National Director.	490	490	-
NZ OCF Fund	After the amalgamation of the OCF and TSCF, remaining NZOCF funds were placed in this fund and can be used to provide a conference speaker suited to overseas students at the discretion of the National Director.	2,000	2,000	-
700 Projects Fund	This fund was established during the 70th anniversary year of TSCF and is used for special projects. The fund has been supplemented by an appeal during the recent 80th celebrations.	113,755	98,665	15,090
<b>Total</b>		<b>316,480</b>	<b>356,074</b>	<b>(39,594)</b>

## Tertiary Students Christian Fellowship NZ Inc

### Notes to the Performance Report

For the year ended  
31 December 2017

#### Note 6 : Commitments and Contingencies

Commitment	Explanation and Timing	31 December 2017 \$
Lease on 2 Kelburn Parade, Wellington	Fixed term tenancy to 31/01/18	4,900
Lease on 54A, 54B, 56A and 56B Bank Street, Dunedin	Fixed term tenancy to 31/12/18	143,000
		<u>147,900</u>

#### Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at balance date.

## Tertiary Students Christian Fellowship NZ Inc

### Notes to the Performance Report

For the year ended  
31 December 2017

#### Note 7: Related Party Transactions

Description of Related Party Relationship	Description of the Transaction	31 December 2017	31 December 2016
			\$
Peter Thirkell was a member of the TSCF Board for part of the year (resigned November 2017) and also the chair of the Wellington Ecumenical Chaplaincy Trust Board. During the year TSCF leased 2 Kelburn Parade from the Wellington Ecumenical Chaplaincy Trust Board.	Rental paid to the Wellington Ecumenical Chaplaincy Trust Board for the lease of 2 Kelburn Parade - 1 Jan 2017 to 31 Dec 2017.	63,000	54,600
Nigel Pollock is the National Director of TSCF and Executive Director of Pacific Partnership Trust (UK).	The Pacific Partnership Trust made a number of donations to the work of TSCF during the year.	150,000	135,000

There were no other transactions involving related parties during the financial year.

#### Note 8: Events After the Balance Date

##### Events After the Balance Date:

There were no events that have occurred after the balance date that would have a material impact on the Performance Report.

#### Note 9: Ability to Continue Operating

TSCF will continue to operate in the foreseeable future.

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF TERTIARY STUDENTS CHRISTIAN FELLOWSHIP NZ INC**

## Report on the Performance Report

### Opinion

We have audited the performance report of Tertiary Students Christian Fellowship Inc ("the Society"), 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 2017, the statement of financial position as at 31 December 2017, and the statement of accounting policies and other explanatory information.

In our opinion:

- a) the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are suitable;
- b) the accompanying performance report presents fairly, in all material respects:
  - the entity information for the year ended 31 December 2017;
  - the service performance for the year then ended; and
  - the financial position of the Society as at 31 December 2017, 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) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* ("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 Society in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the abbreviation.

## Responsibilities of the Board for the Performance Report

The Board is responsible for:

- a) Identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;
- b) the preparation and fair presentation of the performance report on behalf of the Society which comprises:
  - the entity information;
  - the statement of service performance; and
  - the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report

in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board; and

- c) such internal control as the Board determines is necessary to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

In preparing the performance report, the Board is responsible on behalf of the Society for assessing the Society'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 intends to liquidate the Society or to cease operations, or has 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 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 Society'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 Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the performance report, including the disclosures, and whether the performance report represents the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures to obtain evidence about and evaluate whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### Who we Report to

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

*BDO Wellington Audit Limited*

BDO Wellington Audit Limited  
Wellington  
New Zealand  
7 June 2018