

**Tertiary Students Christian Fellowship
NZ Incorporated**



Performance Report

For the year ended 31 December 2018

Tertiary Students Christian Fellowship NZ Incorporated

Performance Report

**For the year ended
31 December 2018**

Contents

	Page
Non-Financial Information:	
Entity Information	1
Statement of Service Performance	2 - 3
Approval of Performance Report	4
Financial Information:	
Statement of Financial Performance	5
Statement of Financial Position	6
Statement of Cash Flows	7
Statement of Accounting Policies	8 - 9
Notes to the Performance Report	10 - 15
Independent Auditor's Report	16 - 18

Tertiary Students Christian Fellowship NZ Incorporated

Entity Information

For the year ended
31 December 2018

Legal Name of Entity:	Tertiary Students Christian Fellowship NZ Incorporated
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.

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 committee) and operational (bible study and event leadership)

Contact details

Physical Address:	9A Oxford Terrace, Mount Cook, Wellington 6021
Postal Address:	TSCF Wellington, PO Box 9672, Marion Square, Wellington 6141
Phone:	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 Incorporated

Statement of Service Performance

For the year ended
31 December 2018

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.

Outputs:	31 December 2018	31 December 2017
Teams:		
Regional teams completing grassroots ministries	7	7
Outreach events:		
Launch: regional training events	7	4
Outreach project	-	1
Mark Drama - Lincoln/Canterbury	1	-
Jesus Week - Auckland University	1	-
Storyboard project in Dunedin and Wellington, Toi Ohomai.	3	-
Breaking New Ground - pioneering new groups on NZ campuses	3	-

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.

Outputs:	31 December 2018	31 December 2017
Partnering Events:		
Festival One Music Festival	1	1
In 2018 a contemplative space and prayer offered to 2,000 individuals and a student lounge		
Celebrate Regional Events:	5	-
Outreach events:		
Launch	7	4
Outreach project	1	1
Mark Drama (Christchurch, Lincoln)		
Graduate Work: To encourage graduates and promote continued involvement with TSCF		
Catalyst groups	1	1
Catalyst events		
In 2018 Grad Dinner in Auckland	1	2
In 2017 Catalyst events in Auckland and Bay of Plenty		
Leadership Training:		
Summit student leadership conference	1	1
Ministry internships	2	-
Staff Training - staff and 2 Ministry Intern trainings	3	1
Staff and Families conference	1	1
Property Activities:		
Commercial rental activities: Rental of 9A Oxford St Ground floor	1	1
Residential rental activities:		
Provision of rental accommodation for students: at 2 Kelburn Parade, Wellington and 54a/54b/56a/56b Bank Street, Dunedin.	5	2

Tertiary Students Christian Fellowship NZ Incorporated

Statement of Service Performance

For the year ended
31 December 2018

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 2018</u>	<u>31 December 2017</u>
Partnering Events:		
Festival One Music Festival	1	1
In 2018 a contemplative space and prayer offered to 2,000 individuals and a student lounge		
Christian Medical Fellowship Student Conference	1	1
Communications:		
Canvas Magazine	3	3
Annual report	1	1
Encourage the Good publication - 2000 copies	1	-
Website	1	1
Connection Emails	3	-
Retail activities:		
Book sales at Summit Conference	66	121
Sale/Distribution of Publications	-	362
Property Activities:		
<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 54A/54B/56A/56B Bank Street, Dunedin.	5	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 2018</u>	<u>31 December 2017</u>
Global outreach activities:		
South Pacific Regional Conference	140 participants representing 11 countries	-
IFES South Pacific Consultation	-	2 participants
International Student Outreach	245 participants across 9 groups	5 groups & 1 partnership
IFES World Student Day activities	1	-
IFES Indigenous Support Development training (South Pacific) Participants	2	-
Representation of TSCF at the Australian Fellowship of Evangelical Students (AFES) national training event	2	-
Representation of TSCF at the Lausanne International Student Ministry Consultation in Charlotte NC USA	-	2
Representation of TSCF on International Fellowship of Evangelical Students Board	2	1
Urbana conference representatives	4	-
Representation at South Pacific on the Ministry Impact Taskforce	-	1
InterVarsity Fellowship USA team visit to NZ	1	1
Representation of South Pacific on the Breaking New Ground initiative with IFES	2	-

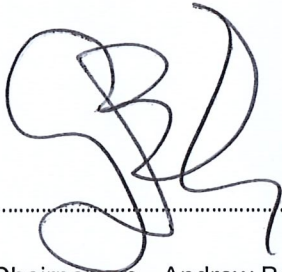
Tertiary Students Christian Fellowship NZ Incorporated

Approval of Performance Report

For the year ended
31 December 2018

The Board are pleased to present the approved performance report including the historical financial statements of Tertiary Students Christian Fellowship NZ Incorporated for the year ended 31 December 2018.

APPROVED



Chairperson - Andrew Becroft

Date:

1/5/19

APPROVED



National Director - Benjamin Carswell

Date:

1/5/19

Tertiary Students Christian Fellowship NZ Incorporated

Statement of Financial Performance

For the year ended
31 December 2018

	Note	31 December 2018 \$	31 December 2017 \$
Revenue	1		
Donations and other similar revenue		1,610,345	1,608,654
Revenue from providing goods or services		446,262	347,056
Interest, dividends and other investment revenue		3,470	3,212
Other revenue		-	300
Total Revenue		2,060,077	1,959,222
Expenses	2		
Volunteer and employee related costs		1,395,071	1,423,873
Costs related to providing goods or services		314,836	222,199
Other expenses		260,420	280,517
Total Expenses		1,970,327	1,926,589
Surplus/(Deficit) for the Year		89,750	32,633

Tertiary Students Christian Fellowship NZ Incorporated

Statement of Financial Position

As at
31 December 2018

	Note	31 December 2018 \$	31 December 2017 \$
Assets			
Current Assets	3		
Bank accounts and cash		299,596	195,106
Debtors and prepayments		69,769	59,564
Inventory		-	839
Total Current Assets		369,365	255,509
Non-Current Assets			
Other non-current assets	3	-	70,800
Property, Plant and Equipment	4	793,797	593,613
Total Non-Current Assets		793,797	664,413
Total Assets		1,163,162	919,922
Liabilities			
Current Liabilities	3		
Creditors and accrued expenses		35,030	33,974
Employee costs payable		92,361	99,927
Loans		70,616	-
Total Current Liabilities		198,007	133,901
Non-Current Liabilities			
Loans	3	160,000	70,616
Total Non-Current liabilities		160,000	70,616
Total Liabilities		358,006	204,518
Total Assets less Total Liabilities (Net Assets)		805,155	715,405
Accumulated Funds	5		
Capital contributed by owners or members		452,542	452,542
Accumulated surpluses or (deficits)		(38,850)	(53,617)
Reserves		391,463	316,480
Total Accumulated Funds		805,155	715,405

Tertiary Students Christian Fellowship NZ Incorporated

Statement of Cash Flows

For the year ended
31 December 2018

	<u>31 December 2018</u>	<u>31 December 2017</u>
	\$	\$
Cash Flows from Operating Activities		
Cash was received from:		
Donations, fundraising and other similar receipts	1,614,453	1,564,000
Receipts from providing goods or services	464,052	351,294
Interest, dividends and other investment receipts	3,470	3,368
IFES Donations received	1,175	6,158
Net GST (paid) / received	(3,379)	2,754
Cash was applied to:		
Payments to suppliers and employees	1,986,826	1,914,237
IFES Donations paid	1,175	6,226
Net Cash Flows from Operating Activities	91,770	7,111
Cash flows from Investing and Financing Activities		
Cash was received from:		
Receipts from the sale of property, plant and equipment*	-	-
Receipts from the sale of investments*	-	-
Proceeds from loans borrowed from other parties*	160,000	-
Capital contributed from owners or members*		
Cash was applied to:		
Payments to acquire property, plant and equipment	218,080	7,847
Repayments of loans borrowed from other parties	-	-
Net Cash Flows from Investing and Financing Activities	(58,080)	(7,847)
Net Increase / (Decrease) in Cash	33,690	(736)
Opening Cash	265,906	266,642
Closing Cash	299,596	265,906
This is represented by:		
Bank Accounts and Cash	299,596	195,106
Term Deposit	-	70,800
	299,596	265,906

Tertiary Students Christian Fellowship NZ Incorporated

Statement of Accounting Policies

**For the year ended
31 December 2018**

Basis of Preparation

Tertiary Students Christian Fellowship NZ Incorporated 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 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 Incorporated 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.

Tertiary Students Christian Fellowship NZ Incorporated

Statement of Accounting Policies

**For the year ended
31 December 2018**

Stock

Stock is expensed on purchase.

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.

Employee Entitlements

Employee entitlements are measured at undiscounted nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned but not taken at balance date.

Changes in Accounting Policies

In 2018 stock has been expensed on purchase. In prior periods, stock was valued at the lower of cost and net realisable value. The impact of this change is an expense of \$839 to the Statement of Financial Performance.

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

Tertiary Students Christian Fellowship NZ Incorporated

Notes to the Performance Report

For the year ended
31 December 2018

Note 1 : Analysis of Revenue

		31 December 2018	31 December 2017
Revenue Item	Analysis	\$	\$
Donations and other similar revenue	Donations from Minterns	5,000	200
	Donations from Legacies	33,580	-
	Donations from Churches	118,277	130,938
	Donations from Individuals	954,040	911,083
	Donations from Trusts	113,907	128,150
	Donations from Other Sources	385,541	438,283
	Total	1,610,345	1,608,654
Revenue from providing goods or services	Sale of Advertising	500	400
	Event Income	17,907	14,473
	Commercial Rental Income	33,333	29,167
	Electricity Income	755	1,645
	Residential Rental Income	203,280	126,630
	Contract Income	189,866	174,741
	Sale of Publications	621	-
	Total	446,262	347,056
Interest, dividends and other investment revenue	Interest	3,470	3,212
	Total	3,470	3,212
Other revenue	Gain on sale of assets	-	300
	Total	-	300
Total Revenue		2,060,077	1,959,222

Tertiary Students Christian Fellowship NZ Incorporated

Notes to the Performance Report

For the year ended
31 December 2018

Note 2 : Analysis of Expenses

Expense Item	Analysis	31 December 2018	31 December 2017
		\$	\$
Volunteer and employee related costs	Staff Expenses	1,383,025	1,423,873
	Mintern Expenses	12,046	-
	Total	1,395,071	1,423,873
Expense Item	Analysis		
Costs related to providing goods or services	Property Expenses	229,723	153,885
	Hospitality, Kai and Accommodation	83,115	68,261
	Books & Publications	1,998	53
	Total	314,836	222,199
Expense Item	Analysis		
Other expenses	Administration	68,224	69,713
	Depreciation	17,897	18,591
	Fees and Charges	24,739	34,390
	IT Expenses	20,310	21,802
	Travel Expenses	129,250	136,021
	Total	260,420	280,517
Total Expenses		1,970,327	1,926,589

Tertiary Students Christian Fellowship NZ Incorporated

Notes to the Performance Report

For the year ended
31 December 2018

Note 3 : Analysis of Assets and Liabilities

Asset Item	Analysis	31 December 2018 \$	31 December 2017 \$
Bank accounts and cash	Bank of New Zealand	84,929	161,642
	EziDebit - WebPay	362	-
	Rabo Bank	213,413	33,464
	Swipe Merchant Account	892	-
	Total	299,596	195,106
Debtors and prepayments	Accounts Receivable	6,526	26,064
	Bonds Receivable	15,390	17,750
	GST	3,361	-
	Prepayments	44,492	15,750
	Total	69,769	59,564
Inventory	Book Stocks	-	839
	Total	-	839
Other non-current assets	Rabo Bank Term Deposit - Maturity 11 December 2018	-	70,800
	Total	-	70,800
Creditors and accrued expenses	Accounts Payable	11,940	9,441
	Accrued Expenses	11,000	11,733
	Bonds Payable	11,301	10,211
	GST Payable	-	18
	IFES Holding Fund	789	2,572
	Total	35,030	33,974
Employee costs payable	PAYE Payable	25,340	27,199
	Annual Leave Accrued	67,021	72,728
	Total	92,361	99,927
Loans	Supporter Loans - interest free and must be repaid on two months notice	70,616	70,616
	Supporter Loans - for purchase of Land - Te Whariki Subdivision, Lincoln - interest payable only if requested. Term is for 5 years	160,000	-
	Total	230,616	70,616

Tertiary Students Christian Fellowship NZ Incorporated

Notes to the Performance Report

For the year ended
31 December 2018

Note 4 : Property, Plant and Equipment

						<u>31 December 2018</u>		
						\$		
Asset Class	Opening Carrying Amount	Purchases	Sales/Disposals	Current Year Depreciation and Impairment	Revaluation	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	258,523	-	-	5,358	-	253,165	267,900	Abbot Kavanagh Rolle Ltd 31 March 2013
Land - Te Whariki Subdivision, Lincoln	-	210,000	-	-	-	210,000		
Motor Vehicles	5,061	-	-	1,736	-	3,325		
Office equipment	18,809	8,081	-	10,803	-	16,087		
Total	593,613	218,081	-	17,897	-	793,797		

						<u>31 December 2017</u>		
						\$		
Asset Class	Opening Carrying Amount	Purchases	Sales/Disposals	Current Year Depreciation and Impairment	Revaluation	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		
Total	604,357	7,847	-	18,591	-	593,613		

Tertiary Students Christian Fellowship NZ Incorporated

Notes to the Performance Report For the year ended

31 December 2018

Note 5: Accumulated Funds

				31 December 2018
				\$
Description*	Capital Contributed by Owners or Members	Accumulated Surpluses or Deficits	Reserves	Total
Opening Balance	452,542	(53,617)	316,480	715,405
Surplus/(Deficit)*		89,750		89,750
Movement in Asset Revaluation			-	-
Transfer to Reserves*		(74,983)	74,983	-
Closing Balance	452,542	(38,850)	391,463	805,155

				31 December 2017
				\$
Description*	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)	-
Closing Balance	452,542	(53,617)	316,480	715,405

Breakdown of Reserves		31 December 2018	31 December 2017	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.	(17,150)	(127,579)	110,429
Catalyst Fund	For donations / expenses made specifically for the graduate ministry of TSCF, usually referred to as Catalyst.	17,838	3,641	14,197
Lincoln House Fund	This fund hold funds donated for the purchase of a house in Lincoln to be used for student accommodation	(3,833)	35,963	(39,796)
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 remnant 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.	103,908	113,755	(9,847)
Total		391,463	316,480	74,983

Tertiary Students Christian Fellowship NZ Incorporated

Notes to the Performance Report

For the year ended
31 December 2018

Note 6 : Commitments and Contingencies

Commitment	Explanation and Timing	<u>31 December 2018</u> \$	<u>31 December 2017</u> \$
Auckland Baptist Tab	Fixed term tenancy to 31/12/2019	13,828	-
Lease on 2 Kelburn Parade	Fixed term tenancy to 31/1/2019	4,900	4,900
Lease on 54A, 54B, 56A and 56B Bank Street, Dunedin	Fixed term tenancy to 31/12/2019	143,000	143,000
		161,728	147,900

Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at balance date (Last year - nil).

Note 7: Related Party Transactions

Description of Related Party Relationship	Description of the Transaction	<u>31 December 2018</u> \$	<u>31 December 2017</u> \$
Peter Thirkel 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 2A Kelburn Parade from the Wellington Ecumenical Chaplaincy Trust Board.	Rental paid to the Wellington Ecumenical Chaplaincy Trust Board for Lease of 2 Kelburn Parade	-	63,000
Nigel Pollock was the National Director for 2018 (resigned 31 December 2018) and is a Director of Pacific Partnership Trust	The Pacific Partnership Trust UK made a number of grants to the work of TSCF during the year.	205,000	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 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 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 2018;
 - the service performance for the year then ended; and
 - the financial position of the Society 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) *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 Society.

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

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Wellington
New Zealand
1 May 2019