



# Annual Report

NZ Hydrological Society Inc  
For the year ended 31 March 2020

Prepared by WK Advisors and Accountants Limited

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# Directory

## NZ Hydrological Society Inc For the year ended 31 March 2020

### Date of Incorporation

5 January 1977

### Executive

Joseph Thomas (President)  
Raelene Mercer (Secretary)  
Mr Mike Ede (Treasurer)  
Dr Richard Hawke (Editor)  
Abigail Lovett  
Dr MS Srinivasan  
Dr Sarah Mager  
Dr Helen Rutter  
David Leong  
Louise Weaver  
Conny Tschritter  
Adam Martin

### Registered Office & Business Location

c/- On-Cue  
23 Alma Street  
Nelson 7010

### Nature of Business

The purpose of the Society is to:

- \* Promote and stimulate public interest and knowledge in hydrology
- \* Organise and run conferences and workshops
- \* Produce educational material

### GST Status

Payments Basis, Six Monthly, coinciding with balance date.

### IRD Number

051-997-646

### Chartered Accountants

WK Advisors and Accountants Limited  
P O Box 349  
Blenheim 7240  
Contact - Craig Forsyth

### Auditors

Crowe New Zealand Audit Partnership  
72 Trafalgar Street  
Nelson 7010

**Bankers**

Westpac Bank  
P O Box 6098  
Christchurch 8442

**Postal Address**

PO Box 12-300  
Thorndon  
Wellington 6144

# Workshops & Conferences

## NZ Hydrological Society Inc For the year ended 31 March 2020

	NOTES	2020	2019
<b>Income</b>			
Symposium Income		12,675	16,501
Technical Workshops Income		73,408	46,339
<b>Total Income</b>		<b>86,084</b>	<b>62,840</b>
<b>Gross Surplus</b>		<b>86,084</b>	<b>62,840</b>
<b>Expenses</b>			
Symposium Expenses		2,449	9,562
Technical Workshop Expenses		73,700	40,682
<b>Total Expenses</b>		<b>76,149</b>	<b>50,244</b>
<b>Net Surplus</b>		<b>9,934</b>	<b>12,595</b>



*These financial statements are to be read in conjunction with the Notes to the Financial Statements and are subject to the Auditors' Report.*

# Publications

## NZ Hydrological Society Inc For the year ended 31 March 2020

	NOTES	2020	2019
<b>Income</b>			
Book Sales - Advances in Freshwater Sciences book		(320)	1,915
Book Sales - Gravel Bed River		-	63
Book Sales - Ground Water		63	63
Book Sales - Miscellaneous		-	113
<b>Total Income</b>		<b>(256)</b>	<b>2,155</b>
<b>Cost of Sales</b>			
Opening Stock		5,053	8,038
Closing Stock		(5,408)	(5,053)
<b>Total Cost of Sales</b>		<b>(355)</b>	<b>2,985</b>
<b>Gross Surplus</b>		<b>99</b>	<b>(830)</b>
<b>Expenses</b>			
Printing, Stamps & Stationery		111	-
Book Expenses - Advances in Freshwater Sciences		42	-
<b>Total Expenses</b>		<b>153</b>	<b>-</b>
<b>Net (Deficit)</b>		<b>(55)</b>	<b>(830)</b>



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# Subscriptions

## NZ Hydrological Society Inc For the year ended 31 March 2020

	NOTES	2020	2019
<b>Income</b>			
Subscriptions - Associates NZ		2,796	435
Subscriptions - Corporate NZ		2,213	4,239
Subscriptions - Corporate OS		1,828	2,868
Subscriptions - Members NZ		24,111	29,621
Subscriptions - Members OS		2,635	1,785
Subscriptions - Students NZ		913	957
<b>Total Income</b>		<b>34,496</b>	<b>39,904</b>
<b>Gross Surplus</b>			
		<b>34,496</b>	<b>39,904</b>
<b>Expenses</b>			
Discount / Complimentary / Write-off / Fx	6	-	1,662
<b>Total Expenses</b>		<b>-</b>	<b>1,662</b>
<b>Net Surplus</b>			
		<b>34,496</b>	<b>38,242</b>



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# Project Fund

## NZ Hydrological Society Inc For the year ended 31 March 2020

	NOTES	2020	2019
<b>Gross Surplus</b>		-	-
<b>Expenses</b>			
Committed Project Funds		7,168	23,246
<b>Total Expenses</b>		<b>7,168</b>	<b>23,246</b>
<b>Net Deficit</b>		<b>(7,168)</b>	<b>(23,246)</b>



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# Administration

## NZ Hydrological Society Inc For the year ended 31 March 2020

	NOTES	2020	2019
<b>Gross Income</b>		-	-
<b>Other Income</b>			
Copyright Fees		1,886	4,561
Sponsorship - Aqualinc Research		8,333	8,333
Sundry Income		161	4,110
Waters for Survival - Donations		1,575	1,830
Waters for Survival - Donations Paid Out		(1,575)	(1,830)
<b>Total Other Income</b>		<b>10,380</b>	<b>17,004</b>
<b>Investment Income</b>			
Interest Received		4,347	4,380
<b>Total Investment Income</b>		<b>4,347</b>	<b>4,380</b>
<b>Total Revenue</b>		<b>14,727</b>	<b>21,384</b>
<b>Expenses</b>			
Accident Compensation Levy		-	34
Accountancy Fees		4,254	4,374
Administration Contract & Wages		18,000	17,976
Audit Fees		2,800	2,833
Bad Debts		-	130
Bank Charges		811	891
Computer Expenses		8	232
Depreciation Expense		142	275
Entertainment		-	943
General Expenses		61	-
Journal Printing		15,190	8,420
Licences & Registrations		-	945
Newsletter Expenses		88	-
Presentations & Gifts		9	261
Printing, Stamps & Stationery		3,157	4,699
Subscriptions		1,087	-
Travel - KWRA		7,533	4,002
Travel and Accommodation		3,018	3,865
Web Expenses		-	120
Scholarships and Grants		1,631	-
<b>Total Expenses</b>		<b>57,786</b>	<b>49,999</b>
<b>Net Deficit</b>		<b>(43,059)</b>	<b>(28,615)</b>



These financial statements are to be read in conjunction with the Notes to the Financial Statements and are subject to the Auditors' Report.

# Statement of Profit or Loss

## NZ Hydrological Society Inc For the year ended 31 March 2020

	NOTES	2020	2019
<b>Income</b>			
Book Sales - Advances in Freshwater Sciences book		(320)	1,915
Book Sales - Gravel Bed River		-	63
Book Sales - Ground Water		63	63
Book Sales - Miscellaneous		-	113
Subscriptions - Associates NZ		2,796	435
Subscriptions - Corporate NZ		2,213	4,239
Subscriptions - Corporate OS		1,828	2,868
Subscriptions - Members NZ		24,111	29,621
Subscriptions - Members OS		2,635	1,785
Subscriptions - Students NZ		913	957
Symposium Income		12,675	16,501
Technical Workshops Income		73,408	46,339
<b>Total Income</b>		<b>120,324</b>	<b>104,898</b>
<b>Cost of Sales</b>			
Opening Stock		5,053	8,038
Closing Stock		(5,408)	(5,053)
<b>Total Cost of Sales</b>		<b>(355)</b>	<b>2,985</b>
<b>Gross Surplus</b>		<b>120,678</b>	<b>101,914</b>
<b>Other Income</b>			
Copyright Fees		1,886	4,561
Sponsorship - Aqualinc Research		8,333	8,333
Sundry Income		161	4,110
Waters for Survival - Donations		1,575	1,830
Waters for Survival - Donations Paid Out		(1,575)	(1,830)
<b>Total Other Income</b>		<b>10,380</b>	<b>17,004</b>
<b>Expenses</b>			
Accident Compensation Levy		-	34
Accountancy Fees		4,254	4,374
Administration Contract & Wages		18,000	17,976
Audit Fees		2,800	2,833
Bank Charges		811	891
Book Expenses - Advances in Freshwater Sciences		42	-
Committed Project Funds		7,168	23,246
Computer Expenses		8	232
Discount / Complimentary / Write-off / Fx	6	-	1,792
Entertainment		-	943
General Expenses		61	-
Journal Printing		15,190	8,420

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	NOTES	2020	2019
Licences & Registrations		-	945
Newsletter Expenses		88	-
Presentations & Gifts		9	261
Printing, Stamps & Stationery		3,268	4,699
Subscriptions		1,087	-
Symposium Expenses		2,449	9,562
Technical Workshop Expenses		73,700	40,682
Travel - KWRA		7,533	4,002
Travel and Accommodation		3,018	3,865
Web Expenses		-	120
Scholarships and Grants		1,631	-
<b>Total Expenses</b>		<b>141,115</b>	<b>124,877</b>
<b>EBITDA</b>		<b>(10,056)</b>	<b>(5,959)</b>
<b>Depreciation and Amortization</b>			
Depreciation Expense		142	275
<b>Total Depreciation and Amortization</b>		<b>142</b>	<b>275</b>
<b>EBIT</b>		<b>(10,198)</b>	<b>(6,234)</b>
<b>Investment Income</b>			
Interest Received		4,347	4,380
<b>Total Investment Income</b>		<b>4,347</b>	<b>4,380</b>
<b>Adjustments</b>			
Prior Year Adjustment	14	(3,689)	-
<b>Total Adjustments</b>		<b>(3,689)</b>	<b>-</b>
<b>Net (Deficit) for the Year</b>		<b>(2,162)</b>	<b>(1,853)</b>



These financial statements are to be read in conjunction with the Notes to the Financial Statements and are subject to the Auditors' Report.

# Statement of Changes in Equity

## NZ Hydrological Society Inc For the year ended 31 March 2020

	2020	2019
<b>Capital</b>		
Opening Balance	157,822	159,675
<b>Increases</b>		
Earnings for the Period	(2,162)	(1,853)
<b>Total Increases</b>	<b>(2,162)</b>	<b>(1,853)</b>
<b>Total Capital</b>	<b>155,660</b>	<b>157,822</b>



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# Balance Sheet

## NZ Hydrological Society Inc As at 31 March 2020

	NOTES	31 MAR 2020	31 MAR 2019
<b>Assets</b>			
<b>Current Assets</b>			
Trade and Other Receivables		1,265	2,854
Accrued Income	9	46,723	35,610
GST Payment / Refund		196	5,987
Interest Accrued		5,073	2,264
Prepaid Conference Expenses		185	5,000
Stock of Books	13	5,408	5,053
Westpac - Cheque Account		13,789	46,647
Westpac - On-Line Saver		24,439	34,416
<b>Total Current Assets</b>		<b>97,077</b>	<b>137,831</b>
<b>Non-Current Assets</b>			
Fixed Assets as per Schedule		169	311
<b>Total Non-Current Assets</b>		<b>169</b>	<b>311</b>
<b>Investments</b>			
BNZ Term Deposit	3	44,126	42,634
Westpac Term Deposit	3	81,446	81,446
<b>Total Investments</b>		<b>125,572</b>	<b>124,080</b>
<b>Total Assets</b>		<b>222,819</b>	<b>262,222</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	7	11,298	41,282
Accrued Expenses	8	13,639	11,994
New Zealand Freshwater Science Society		1,855	2,363
Project Funds Committed	4	38,284	38,084
Sponsorship Received in Advance	5	2,083	10,417
Subscriptions in Advance - Corporate		-	260
<b>Total Current Liabilities</b>		<b>67,159</b>	<b>104,400</b>
<b>Total Liabilities</b>		<b>67,159</b>	<b>104,400</b>
<b>Net Assets</b>		<b>155,660</b>	<b>157,822</b>
<b>Accumulated Funds</b>			
Current Year Earnings		(2,162)	(1,853)
Retained Earnings		157,822	159,675
<b>Total Accumulated Funds</b>		<b>155,660</b>	<b>157,822</b>
<b>Total Accumulated Funds</b>		<b>155,660</b>	<b>157,822</b>



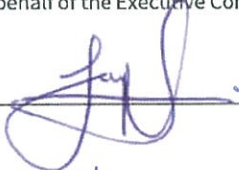
These financial statements are to be read in conjunction with the Notes to the Financial Statements and are subject to the Auditors' Report.

**Signed by:**

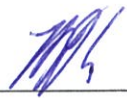
The accompanying notes form part of these Financial Statements and should be read in conjunction with the reports contained herein.

For and on behalf of the Executive Committee:

President



Treasurer



Dated:

17 NOVEMBER 2020

J. Thomas

M. EOE

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*These financial statements are to be read in conjunction with the Notes to the Financial Statements and are subject to the Auditors' Report.*



## Schedule of Fixed Assets and Depreciation

### NZ Hydrological Society Inc For the year ended 31 March 2020

NAME	PURCHASED	COST	OPENING VALUE	PURCHASES	DISPOSALS	RATE	DEPRECIATION	CLOSING ACCUM DEP	CLOSING VALUE
<b>Office Equipment</b>									
4 Drawer Filing Cabinet	28 Jan 2004	289	27	-	-	14.40%	4	266	23
HP Laptop	5 Dec 2015	1,424	148	-	-	50.00%	74	1,350	74
Printer	19 Mar 2014	549	41	-	-	40.00%	17	524	25
Q5 Accounting System Software	31 Mar 2003	704	-	-	-	48.00%	-	704	-
Website Upgrade and Population	30 May 2014	2,780	94	-	-	50.00%	47	2,733	47
<b>Total Office Equipment</b>		<b>5,746</b>	<b>311</b>	<b>-</b>	<b>-</b>		<b>142</b>	<b>5,577</b>	<b>169</b>
<b>Total</b>		<b>5,746</b>	<b>311</b>	<b>-</b>	<b>-</b>		<b>142</b>	<b>5,577</b>	<b>169</b>

*These financial statements are to be read in conjunction with the Notes to the Financial Statements and are subject to the Auditors' Report.*

# Notes to the Financial Statements

## NZ Hydrological Society Inc For the year ended 31 March 2020

### 1. Statement of Accounting Policies

The financial statements presented here are for the entity New Zealand Hydrological Society Incorporated, an Incorporated Society registered under the Incorporated Societies Act 1908.

These Special Purpose Financial Reports have been prepared in accordance with the minimum financial requirements in the Tax Administration (Financial Statements) Order 2014, as required under section 21B of the Tax Administration Act 1994.

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis have been used, with the exception of certain items for which specific accounting policies have been identified.

### Changes in Accounting Policies

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

### Tax Status

The Society claims tax exempt status as a scientific organisation under section CW49 of the Income Tax Act 2007

### Accounts Receivable

Receivables are stated at their estimated realisable value. Bad debts are written off in the year in which they are identified.

### Fixed Assets

Fixed Assets have been included at cost less accumulated depreciation. Details of fixed assets are set out in the attached Schedule of Fixed Assets and Depreciation.

### Investments

Investments are carried at the lower of cost and net realisable value. Where in the Trustees' opinion there has been a permanent reduction in the value of the investments this has been brought to account in the current period.

### Depreciation

Depreciation has been charged on either a diminishing value (DV) at rates approved by the Inland Revenue Department. Details of rates and depreciation claims are set out in the Fixed Asset Register included herein.

### Goods and Services Tax

The Statement of Financial Performance has been prepared so that all components are stated exclusive of GST. All items in the Statement of Financial Position are stated net of GST, with the exception of account receivables and payables.

### Revenue Recognition

#### (i) Sales of Services

Sales of Services are recognised in the accounting period in which the services are rendered.

#### (ii) Sales of Books

Sales of Books are recognised in the accounting period in which the books are sold.

#### (ii) Interest Income

Interest income is recognised on an accruals basis.





## Project Funds Committed

Project funds committed are expensed in the year in which the commitment is approved. Project funds are paid out to recipients upon satisfying the terms of the relevant contract.

## Income in Advance

Income in advance is shown as received in the year that it relates to. Income relating to an unexpired period is shown as a current liability.

## Inventory

Inventory is initially recorded at cost. Books held for sale are subsequently measured at the lower of cost and their selling price. Books for distribution are subsequently measured at cost and written down if they become obsolete.

## Going Concern

The Executive are aware that COVID-9 was declared a global health emergency on 31 January 2020 by the World Health Organisation. At this point in time, it is not possible to quantify the financial impact of this pandemic on the Society and its future operations. The Society has sufficient cashflow to be able to absorb any financial impact and viability of the Society and the Executive believes that the continued use of the Going Concern assumption remains appropriate.,

## Reporting Currency

These financial statements of New Zealand Hydrological Society Inc are presented in New Zealand dollars.

## 2. Audit

These financial statements have been subject to audit, please refer to Auditor's Report.

## 3. Investments

At balance date the following funds were held:

	Interest Rate	Maturity Date	2020	2019
Westpac	3.5%	09 Dec 2020	81,446	81,446
Bank of New Zealand	3.25%	28 April 2020	44,126	42,634
			<b>\$125,572</b>	<b>\$124,080</b>

## 4. Project Funds Committed

Funds have been set aside for special projects. Project funds committed total \$38,284 (2019: \$38,084) and are as detailed below:

	2020	2019
Madison Frank/Jake Connelly - 2019 Technical Workshop Prize	2,000	2,000
Sarah Mager - How effective are community-based riparian border plantings for ameliorating water quality	5,740	5,740

William Conley - Constrain Dates of Paleo-Alignment Changes at Confluence of Waingawa and Ruamahanga Rivers	4,350	4,350
Jessica McIntyre - Water quality in the Waikaka Stream, Southland	2,000	2,000
Michael McDonald - 2019 Technical Workshop Prize	2,200	0
Christina Bright - Deforestation effects on water quality and yield – a case study from Glendhu Forest.	7,640	7,640
Alice Trevelyan - Evaluating the role of fog in snow tussock covered catchments for improved water yield in upland Central Otago catchments.	4,504	4,504
Hamish Graham - Pathways for nutrient contamination of Barkers Creek catchment, South Canterbury	1,000	1,000
Henry Lissaman - Water quality issues with high country farming in NZ	0	2,000
Andrew Neverman - Hydrological limits setting: The missing tool for River Management	1,900	1,900
Kate Coluccio - Groundwater processes in Te Waihora/Lake Ellesmere	3,750	3,750
Nicole Calder-Steele - An augmented reality: irrigation scheme delivery that supports environmental outcomes	3,200	3,200
<b>Total Project Committed Funds:</b>	<b>\$38,284</b>	<b>\$38,084</b>

The balance of the funds allocated to the projects are payable when the final reports have been written and submitted to the Society.

## 5. Sponsorship Received in Advance

A further three years sponsorship has been renewed from Aqualinc Research. The unexpired value of the sponsorship deal is shown as Receipts in Advance. The three year period runs from 1 July 2017 to 30 June 2020. The full value of this sponsorship is \$25,000 over the three years. Twelve (12) months have been amortised as at balance date.

## 6. Discount / Complimentary / Write-off / Fx

Management has accumulated the following items in this account -

- discounts for early payment of subscriptions
- bank fees charged for receipt of overseas income
- complimentary subscriptions granted
- write off of uncollectable subscriptions

	2020	2019
<b>7. Accounts Payable</b>		
Untitled Custom Row	-	-
Trade Creditors	11,298	41,282
<b>Total Accounts Payable</b>	<b>11,298</b>	<b>41,282</b>

## 8. Accrued Expenses

Accrued Expenses included in the Statement of Financial Position relate to provisions for audit fees, accountancy fees and Water for Survival donation as scheduled:

	2020	2019
Accountancy	3,800	3,780
Audit Fees	2,800	2,750
Water for Survival Donation	7,039	5,464
<b>Total:</b>	<b>\$13,639</b>	<b>\$11,994</b>

## 9. Accrued Income

Accrued Income included in the Statement of Financial Position relates to income received after balance date.

	2020	2019
Annual Symposium Income	46,722.74	11,932
Technical Workshop Fees	0	23,678
<b>Total:</b>	<b>\$46,722.74</b>	<b>\$35,610</b>

## 10. Contingent Liabilities

NZ Hydrological Society Inc has an arrangement with Westpac for a Business MasterCard facility with a limited of \$4,000 at 31 March 2020, the MasterCard facility is the only known contingent liability at balance date (2019: \$2,000). NZ Hydrological Society Inc has not granted any securities in respect of liabilities payable by any other party whatsoever.

## 11. Events Subsequent to Balance Date

A sponsorship contract has been signed with NIWA covering the period 1 July 2020 to 30 June 2023 for a value of \$25,000 exclusive of GST annually. Apart from this no events or transactions have occurred since balance date which would have a material effect upon the financial statements or which are of such significance as to require mention in the notes to the financial policies. There are no plans or intentions that may materially affect the current value or classification of assets and liabilities.

## 12. Capital Commitments

As at balance date there are no significant capital commitments. (2019: \$Nil)

## 13. Stock of Books

A new book, Advances in New Zealand Freshwater Science, was published in the 2016 year. It was a joint project between NZ Hydrological Society Inc and NZ Freshwater Sciences Society. All costs of publishing have been shared 50/50 between the parties, and all income is also shared 50/50, including postage and packaging costs. NZ Hydrological Society Inc. stores all unsold copies of the book, although only half of the books stored, are owned by NZ Hydrological Society Inc.

## 14. Prior Year Adjustment

Prepaid Conference Expenses were understated in the 2019 financial year. This has been disclosed in the current year.

## INDEPENDENT AUDITOR'S REPORT

### To the Members of NZ Hydrological Society Inc

#### Opinion

We have audited the special purpose financial statements of NZ Hydrological Society Inc (the Society) on pages 5 to 14 and 16 to 19 which comprise the balance sheet as at 31 March 2020, the statement of changes in equity as at 31 March 2020 and the statement of profit or loss for the year then ended, and notes to the special purpose financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying special purpose financial statements of the Society for the year ended 31 March 2020 are prepared, in all material respects, in accordance with the tax basis of accounting in New Zealand as described in Note 1 of the special purpose financial statements.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements* section of our report. We are independent of the Society in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* 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.

#### Emphasis of Matter – Basis of Accounting and Restriction on Distribution

We draw attention to Note 1 of the special purpose financial statements, which describes the basis of accounting. The special purpose financial statements are prepared to meet the requirements of section 21B of the Tax Administration Act 1994. As a result, the special purpose financial statements may not be suitable for another purpose. Our report is intended solely for the Society and should not be distributed to parties other than the Society and its members. Our opinion is not modified in respect of this matter.

#### Emphasis of Matter – Impact of COVID-19

We draw attention to Note 1 of the financial statements, which describes the effects of the World Health Organisation's declaration of a global health emergency on 31 January 2020 relating to the spread of COVID-19. Our opinion is not modified in respect of this matter.

## **Responsibilities of the Executive for the Special Purpose Financial Statements**

The Executive are responsible on behalf of the entity for the preparation of the special purpose financial statements in accordance with the tax basis of accounting and for such internal control as the Executive determine is necessary to enable the preparation of special purpose financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, the Executive are responsible 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 Executive either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

## **Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements**

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are 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) 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 decisions of users taken on the basis of these special purpose financial statements.

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose financial statements, 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 Society's internal control.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Executive 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 special purpose financial statements 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 appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

We communicate with the Executive 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.

**Restriction on Use**

This report is made solely to the company's shareholders, as a body. Our audit has been undertaken so that we might state to the company's shareholders those matters 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 company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.



**Crowe New Zealand Audit Partnership**  
CHARTERED ACCOUNTANTS

Dated at Nelson this 17th day of November 2020