



Annual Report

NZ Hydrological Society Inc
For the year ended 31 March 2018

Prepared by WK Advisors and Accountants Limited

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Directory

NZ Hydrological Society Inc For the year ended 31 March 2018

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
Mike Thompson

Registered Office & Business Location

824A Roberts Line
R D 8
Palmerston North 4478

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 Horwath New Zealand Audit Partnership
Level 1, Youell House
1 Hutcheson Street
Blenheim 7201

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 2018

	NOTES	2018	2017
Income			
Symposium Income		10,376	9,124
Technical Workshops Income		88,629	32,077
Total Income		99,005	41,202
Gross Surplus		99,005	41,202
Expenses			
Symposium Expenses		7,053	3,000
Technical Workshop Expenses		98,209	25,286
Total Expenses		105,261	28,286
Net (Deficit)/Surplus		(6,257)	12,916

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 2018

	NOTES	2018	2017
Income			
Book Sales - Advances in Freshwater Sciences book		3,409	3,401
Book Sales - Flood & Drought		41	52
Book Sales - Gravel Bed River		182	283
Book Sales - Ground Water		137	141
Book Sales - Miscellaneous		-	16
CD Sales - Gravel Bed River		32	-
Total Income		3,802	3,893
Cost of Sales			
Opening Stock		10,254	-
Closing Stock		(8,038)	(10,254)
Total Cost of Sales		2,216	(10,254)
Gross Surplus		1,586	14,147
Expenses			
Book Expenses - Advances in Freshwater Sciences		-	14,776
Total Expenses		-	14,776
Net Surplus / (Deficit)		1,586	(629)

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

Subscriptions

NZ Hydrological Society Inc For the year ended 31 March 2018

	NOTES	2018	2017
Income			
Subscriptions - Associates NZ		478	435
Subscriptions - Corporate NZ		4,674	4,674
Subscriptions - Corporate OS		3,206	4,368
Subscriptions - Members NZ		28,350	27,939
Subscriptions - Members OS		2,359	2,761
Subscriptions - Student OS		130	-
Subscriptions - Students NZ		1,565	1,174
Total Income		40,763	41,351
Gross Surplus			
		40,763	41,351
Expenses			
Discount / Complimentary / Write-off / Fx	6	4,181	1,452
Total Expenses		4,181	1,452
Net Surplus			
		36,582	39,899

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

Project Fund

NZ Hydrological Society Inc For the year ended 31 March 2018

	NOTES	2018	2017
Gross Surplus		-	-
Expenses			
Committed Project Funds		5,710	11,364
Total Expenses		5,710	11,364
Net Deficit		(5,710)	(11,364)

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

Administration

NZ Hydrological Society Inc For the year ended 31 March 2018

	NOTES	2018	2017
Gross Income		-	-
Other Income			
Copyright Fees		2,460	1,671
Sponsorship - Aqualinc Research		8,333	8,333
Sundry Income		2,100	3,977
Waters for Survival - Donations		1,948	1,277
Waters for Survival - Donations Paid Out		(1,948)	(1,277)
Total Other Income		12,893	13,980
Investment Income			
Interest Received		4,263	4,750
Total Investment Income		4,263	4,750
Total Revenue		17,157	18,731
Expenses			
Accident Compensation Levy		30	36
Accountancy Fees		3,996	5,395
Administration Contract & Wages		11,921	10,501
Audit Fees		2,888	2,573
Bank Charges		1,003	884
Computer Expenses		43	161
Depreciation Expense		536	1,052
Entertainment		1,391	2,390
General Expenses		435	206
Journal Printing		11,451	3,868
Licences & Registrations		1,630	-
Printing, Stamps & Stationery		3,150	2,589
Teaching Courses		-	1,000
Travel - KWRA		5,083	3,692
Travel and Accommodation		3,353	3,332
Unreconciled GST Variance		-	246
Web Expenses		213	213
Total Expenses		47,122	38,138
Net Deficit		(29,966)	(19,407)

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 2018

	NOTES	2018	2017
Income			
Book Sales - Advances in Freshwater Sciences book		3,409	3,401
Book Sales - Flood & Drought		41	52
Book Sales - Gravel Bed River		182	283
Book Sales - Ground Water		137	141
Book Sales - Miscellaneous		-	16
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Subscriptions - Corporate NZ		4,674	4,674
Subscriptions - Corporate OS		3,206	4,368
Subscriptions - Members NZ		28,350	27,939
Subscriptions - Members OS		2,359	2,761
Subscriptions - Student OS		130	-
Subscriptions - Students NZ		1,565	1,174
Symposium Income		10,376	9,124
Technical Workshops Income		88,629	32,077
Total Income		143,570	86,446
Cost of Sales			
Opening Stock		10,254	-
Closing Stock		(8,038)	(10,254)
Total Cost of Sales		2,216	(10,254)
Gross Surplus		141,353	96,700
Other Income			
Copyright Fees		2,460	1,671
Sponsorship - Aqualinc Research		8,333	8,333
Sundry Income		2,100	3,977
Waters for Survival - Donations		1,948	1,277
Waters for Survival - Donations Paid Out		(1,948)	(1,277)
Total Other Income		12,893	13,980
Expenses			
Accident Compensation Levy		30	36
Accountancy Fees		3,996	5,395
Administration Contract & Wages		11,921	10,501
Audit Fees		2,888	2,573
Bank Charges		1,003	884
Book Expenses - Advances in Freshwater Sciences		-	14,776
Committed Project Funds		5,710	11,364
Computer Expenses		43	161
Discount / Complimentary / Write-off / Fx	6	4,181	1,452

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

	NOTES	2018	2017
Entertainment		1,391	2,390
General Expenses		435	206
Journal Printing		11,451	3,868
Licences & Registrations		1,630	-
Printing, Stamps & Stationery		3,150	2,589
Symposium Expenses		7,053	3,000
Teaching Courses		-	1,000
Technical Workshop Expenses		98,209	25,286
Travel - KWRA		5,083	3,692
Travel and Accommodation		3,353	3,332
Unreconciled GST Variance		-	246
Web Expenses		213	213
Total Expenses		161,738	92,964
EBITDA		(7,492)	17,716
Depreciation and Amortization			
Depreciation Expense		536	1,052
Total Depreciation and Amortization		536	1,052
EBIT		(8,028)	16,663
Investment Income			
Interest Received		4,263	4,750
Total Investment Income		4,263	4,750
Net (Deficit)/Surplus for the Year		(3,764)	21,414

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 2018

	2018	2017
Capital		
Opening Balance	163,440	142,026
Increases		
Earnings for the Period		
Current year earnings	(3,764)	21,414
Total Earnings for the Period	(3,764)	21,414
Total Increases	(3,764)	21,414
Total Capital	159,675	163,440

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

Balance Sheet

NZ Hydrological Society Inc As at 31 March 2018

	NOTES	31 MAR 2018	31 MAR 2017
Assets			
Current Assets			
Trade and Other Receivables		6,504	32,808
Accrued Income	9	31,352	26,018
GST Payment / Refund		3,743	-
Interest Accrued		4,918	2,108
Prepaid Conference Expenses		3,500	1,575
Stock of Books	13	8,038	10,254
Westpac - Cheque Account		67,349	44,096
Westpac - On-Line Saver		34,381	34,347
Westpac Term Deposit	3	75,834	75,834
Total Current Assets		235,619	227,040
Non-Current Assets			
Fixed Assets as per Schedule		585	1,122
Total Non-Current Assets		585	1,122
Investments			
BNZ Term Deposit	3	41,292	39,953
Total Investments		41,292	39,953
Total Assets		277,496	268,115
Liabilities			
Current Liabilities			
Trade and Other Payables	7	50,090	1,246
Accrued Expenses	8	9,834	9,197
New Zealand Freshwater Science Society		586	3,428
Project Funds Committed	4	35,386	37,422
Sponsorship Received in Advance	5	18,750	27,083
Subscriptions in Advance - Corporate		889	390
Subscriptions in Advance - Members		243	61
Subscriptions in Advance - Students		43	43
Receipts in advance		2,000	18,245
GST Payment / Refund		-	7,561
Total Current Liabilities		117,821	104,676
Total Liabilities		117,821	104,676
Net Assets		159,675	163,440
Accumulated Funds			
Current Year Earnings		(3,764)	21,414
Retained Earnings		163,440	142,026
Total Accumulated Funds		159,675	163,440

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

Balance Sheet

	NOTES	31 MAR 2018	31 MAR 2017
Total Accumulated Funds		159,675	163,440

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: 26/10/2018

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 2018

NAME	PURCHASED	COST	OPENING VALUE	PURCHASES	DISPOSALS	RATE	DEPRECIATION	CLOSING ACCUM DEP	CLOSING VALUE
Office Equipment									
4 Drawer Filing Cabinet	28 Jan 2004	289	37	-	-	14.40%	5	258	31
HP Laptop	5 Dec 2015	1,424	593	-	-	50.00%	297	1,127	297
Printer	19 Mar 2014	549	115	-	-	40.00%	46	480	69
Q5 Accounting System Software	31 Mar 2003	704	-	-	-	48.00%	-	704	-
Website Upgrade and Population	30 May 2014	2,780	376	-	-	50.00%	188	2,592	188
Total Office Equipment		5,746	1,121	-	-		536	5,161	585
Total		5,746	1,121	-	-		536	5,161	585

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 2018

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.

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	2018	2017
Westpac	3.70%	09.12.2018	75,834	75,834
Bank of New Zealand	3.25%	28.04.2018	41,292	39,953
			\$117,126	\$115,787

4. Project Funds Committed

Funds have been set aside for special projects. Project funds committed total \$35,386 (2017: \$37,422) and are as detailed below:

	2018	2017
Emma Fordyce - Tidal fluctuations of groundwater in south Dunedin, NZ	0	5,876
Sarah Mager - How effective are community-based riparian border plantings for ameliorating water quality	5,740	5,740
Gary Blake - Captain James Cook Memorial, Waihou River, Thames	0	1,200
Emily Diack - Quantifying Nutrient Export from Pristine Upland Catchments	5,752	5,752
Christina Bright - Deforestation effects on water quality and yield – a case study from Glendhu Forest.	5,540	5,540
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
Todd Redpath - Measurement of seasonal snowpack dynamics by drone photogrammetry	2,750	2,750
Hamish Graham - Pathways for nutrient contamination of Barkers Creek catchment, South Canterbury	1,000	1,000
Henrietta Jackson - Impact of allocation on water through the Pool Burn	1,000	1,000
Josie Cairns - Vertical Soil Moisture movement under High-Country Tussock Grassland	0	2,160
Andrew Neverman - Hydrological limits setting: The missing tool for River Management	1,900	1,900
Ethan Coulston - 2018 Technical Workshop Prize	2,000	0
Nicole Calder-Steele - An augmented reality: irrigation scheme delivery that supports environmental outcomes	3,200	0
Jennifer Leslie - 2017 Technical Workshop Prize	2,000	0
	\$35,386	\$37,422

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 total of 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 2014 to 30 June 2017. The full value of this sponsorship is \$25,000 over the three years. Thirty Six (36) months have been amortised as at balance date.

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. Nine (9) months have been amortised as at balance date.

6. Dscnt / 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

7. Accounts Payable

	2018	2017
Trade Creditors	41,406	345
Wages Due	614	636
PAYE Due	420	265
NZFWSS Due	7,650	0
Total:	\$50,090	\$1,246

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:

	2018	2017
Accountancy	3,600	3,600
Audit Fees	2,600	2,250
Water for Survival Donation	3,634	3,347
Total:	\$9,834	\$9,197

9. Accrued Income

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

	2018	2017
Annual Symposium Income	31,352	26,018
Total:	\$31,352	\$26,018

10. Contingent Liabilities

NZ Hydrological Society Inc has an arrangement with Westpac for a Business MasterCard facility with a limited of \$2,000 at 31 March 2018, the MasterCard facility is the only known contingent liability at balance date (2017: \$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

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. (2017: \$Nil)

13. Stock of Books

A new book, *Advances in New Zealand Freshwater Science*, was published in the 2016 year. It was a joint effort 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.

INDEPENDENT AUDITOR'S REPORT

To the Members of NZ Hydrological Society Incorporated

Qualified Opinion

We have audited the special purpose financial statements of NZ Hydrological Society Incorporated on pages 5 to 14, and 16 to 20 which comprise the balance sheet as at 31 March 2018 and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements of NZ Hydrological Society Incorporated for the year ended 31 March 2018 are prepared, in all material respects, in accordance with special purpose financial reporting basis of accounting in New Zealand as described in Note 1 of the financial statements.

Basis for Qualified Opinion

A stocktake of the books on hand as at 31 March 2018 was not undertaken. As a result, we are unable to confirm the existence of the number of books on hand or whether any adjustment to the carry value of books on hand or the effect on reported surplus of deficit. This qualification is consistent with the qualification in the previous year.

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 Financial Statements* section of our report. We are independent of NZ Hydrological Society Incorporated 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 qualified opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, NZ Hydrological Society Incorporated.

Emphasis of Matter – Basis of Accounting and Restriction on Distribution

We draw attention to Note 1 to the financial statements, which describe the basis of accounting. The financial statements are prepared in accordance with special purpose financial reporting basis of accounting in New Zealand. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for NZ Hydrological Society Incorporated and should not be distributed to parties other than the entity and its members. Our opinion is not modified in respect of this matter.

Responsibilities of the Committee for the Financial Statements

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

In preparing the financial statements, those charged with governance are responsible for assessing the entity'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 those charged with governance either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 entity's internal control.
- Conclude on the appropriateness of the use of the going concern basis of accounting by those charged with governance and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity'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 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 entity 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 those charged with governance 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.



Crowe Horwath New Zealand Audit Partnership

CHARTERED ACCOUNTANTS

Dated at Nelson this 26th day of October 2018