



## Audit report

### **To the readers of the financial statements of Transparency International (New Zealand) Incorporated**

We have audited the financial statements on pages 1 to 5. The financial statements provide information about the past financial performance of the Society and its financial position as at 30 June 2010. This information is stated in accordance with the accounting policies set out on pages 3 to 4.

#### **Board Members Responsibilities**

The Board is responsible for the preparation of financial statements which give a true and fair view of the financial position of the Society as at 30 June 2010 and the results of its operations for the year ended on that date.

#### **Auditors' responsibilities**

It is our responsibility to express an independent opinion on the financial statements presented by the Board and report our opinion to you.

#### **Basis of opinion**

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the in the preparation of the financial statements;
- whether the accounting policies are appropriate to the Society's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with New Zealand Auditing Standards. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to obtain reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Other than in our capacity as auditors we have no relationship with or interests in the Society.



### **Unqualified opinion**

We have obtained all the information and explanations we have required.

In our opinion the financial statements on pages 1 to 5:

- comply with New Zealand generally accepted accounting practice;
- give a true and fair view of the financial position of the Society as at 30 June 2010 and the results of its operations for the year ended on that date.

Our audit was completed on 29 October 2010 and our unqualified opinion is expressed as at that date.

A handwritten signature in blue ink, appearing to read 'KPMG'.

Wellington

**Transparency International  
(New Zealand)  
Incorporated**

**Financial Statements**

**For the year ended 30 June 2010**

**Transparency International (New Zealand) Incorporated**

**Statement of Financial Performance**

For the year ended 30 June 2010

	Note	2010 \$	2009 \$
<b>REVENUE</b>			
Pacific Support Programme (NZAIID)		466,888	544,446
Grants	2	12,278	15,771
Subscriptions		6,591	5,791
Interest		2,626	3,065
Other		5,894	1,944
<b>Total Revenue</b>		<b>494,277</b>	<b>571,017</b>
<b>EXPENSES</b>			
Pacific Support Programme (NZAIID)			
Operational & Programme Activity Costs	3	466,799	544,501
Depreciation	5	240	198
Other Expenses		14,841	21,857
Depreciation - Other	5	332	1,250
<b>Total Expenses</b>		<b>482,212</b>	<b>567,806</b>
<b>NET SURPLUS FOR YEAR</b>		<b>12,065</b>	<b>3,211</b>

**Statement of Movements in Equity**

For the year ended 30 June 2010

	2010 \$	2009 \$
Accumulated Funds at Beginning of Year	45,264	42,053
<i>Total Recognised Revenues &amp; Expenses</i>		
Net Surplus for Year	12,065	3,211
<b>Accumulated Funds at End of Year</b>	<b>57,329</b>	<b>45,264</b>

These financial statements should be read in conjunction with the attached accounting policies and notes to the financial statements.



Statement of Financial Position

As at 30 June 2010

	Note	2010 \$	2009 \$
<b>ACCUMULATED FUNDS</b>		<b>57,329</b>	<b>45,264</b>
<i>Represented by:</i>			
<b>CURRENT ASSETS</b>			
Cash & Cash Equivalents	4	71,756	50,853
Accounts Receivable		64,502	49,628
<b>Total Current Assets</b>		<b>136,258</b>	<b>100,481</b>
<b>NON-CURRENT ASSETS</b>			
Property Plant and Equipment	5	1,161	1,733
<b>TOTAL ASSETS</b>		<b>137,419</b>	<b>102,214</b>
<b>Less</b>			
<b>CURRENT LIABILITIES</b>			
Income in Advance (NZAIID & TI-Secretariat)		16,721	1,535
Accounts Payable		63,338	53,276
GST Liability		31	2,139
<b>Total Current Liabilities</b>		<b>80,090</b>	<b>56,950</b>
<b>Net Assets</b>		<b>57,329</b>	<b>45,264</b>

*M. Petrie*

Murray Petrie  
Co-Chairperson

Date: 29 October 2010

*David Macdonald*

David Macdonald  
Board Member

Date: 29 October 2010

**Notes to the Financial Statements**  
**For the year ended 30 June 2010**

**1. ACCOUNTING POLICIES**

**Reporting Entity**

Transparency International (New Zealand) Incorporated ('the Society') was incorporated under the Incorporated Societies Act 1908 (as last amended in 1993) on 4 April 2001.

The Society is a not for profit organisation that promotes transparency, good governance and ethical practices in the private and public sectors of New Zealand and the Pacific.

The financial statements comprise statements of the following: financial performance; movements in equity; financial position; accounting policies; as well as the notes to these financial statements.

The financial statements have been prepared according to generally accepted accounting practice in New Zealand as defined by the Financial Reporting Act 1993.

The financial statements have been prepared on the basis of historical cost. All accounting policies have been applied consistently by the Society.

**Adoption of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS)**

In September 2007, the Accounting Standards Review Board announced the delay of the mandatory adoption of NZ IFRS for certain entities. The Society satisfies the deferral criteria and has therefore decided to delay the adoption of the NZ IFRS standards.

**Specific Accounting Policies**

The following specific policies which materially affect the measurement of financial performance have been applied:

***Differential Reporting***

The Society qualifies for differential reporting as it has no public accountability and it complies with size criteria. The Society has taken advantage of all available differential reporting exemptions.

***Income***

Subscription income is recognised in the statement of financial performance as it accrues.

***Goods and Services Tax***

The financial statements have been prepared on a GST exclusive basis, except for payables which are stated inclusive of GST.

***Taxation***

The Society has been registered as a charitable entity under the Charities Act 2005 and is therefore exempt from income tax under the income tax legislation.

***Property, Plant and Equipment***

The cost of purchases of fixed assets is the value of the consideration given up to acquire the assets and the value of other directly attributable costs incurred in bringing the assets to the location and condition necessary for their intended use.



# Transparency International (New Zealand) Incorporated

## Notes to the Financial Statements (continued)

For the year ended 30 June 2010

### Depreciation

Depreciation is calculated on a straightline basis to allocate the cost of an asset, less any residual value, over its useful life.

Depreciation Rates:

Furniture and Fittings	20%
Computer Equipment	48%

### Change 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.

### 2. GRANTS

	2010 \$	2009 \$
<b>Transparency International - Secretariat:</b>		
Review logo, 5 year Strategic Plan	4,452	8,332
Reimbursements for Travel: Asia Pacific Regional Meeting	2,518	7,439
<b>Centre on Budget and Policy</b>	5,308	-
	<b>12,278</b>	<b>15,771</b>

### 3. PACIFIC SUPPORT PROGRAMME (NZAID)

	2010 \$	2009 \$
<b>Operational Costs</b>		
Contractors (Programme Management & Finance Officer)	114,852	109,525
Rent	12,720	3,118
Administration	8,272	9,236
	<b>135,844</b>	<b>121,879</b>
<b>Programme Activity Costs</b>		
Core Funding	285,025	281,820
Civics Education	13,878	75,778
Speakers' Tours	11,414	24,369
Peer Learning Network (including Inter-Chapter visits)	-	40,655
Programme Redesign	20,638	-
	<b>330,955</b>	<b>422,622</b>
<b>Total Costs</b>	<b>466,799</b>	<b>544,501</b>

### 4. CASH & CASH EQUIVALENTS

			2010	2009
			\$	\$
ANZ National Bank account	0.00	Current account	6,284	1,599
ANZ National Bank account	0.02	Pacific Support Prog.	14,581	23,528
ANZ National Bank account	0.03	Online	6,697	11,472
ANZ National Bank account	0.04	Pacific Support Prog.	13,815	14,104
ANZ National Bank Term Deposit			30,229	-
Petty Cash			150	150
			<b>71,756</b>	<b>50,853</b>

Notes to the Financial Statements (continued)

For the year ended 30 June 2010

5. PROPERTY, PLANT & EQUIPMENT

*Property, Plant and Equipment comprise the following:*

	Cost \$	Accum Depn \$	Carrying Value \$
<b>2010</b>			
Furniture & Fittings	2,688	1,527	1,161
Computer Equipment	2,933	2,933	-
	<b>5,621</b>	<b>4,460</b>	<b>1,161</b>
<b>2009</b>			
Furniture & Fittings	2,688	955	1,733
Computer Equipment	2,933	2,933	-
	<b>5,621</b>	<b>3,888</b>	<b>1,733</b>

<b>2010</b>	<b>2009</b>
<b>\$</b>	<b>\$</b>

*Depreciation Expense for the Year is as follows:*

Pacific Support Programme	240	198
Other	332	1,250
	<b>572</b>	<b>1,448</b>

6. RELATED PARTIES

Transparency International New Zealand is affiliated as a chapter of Transparency International, which has its headquarters in Berlin. The Transparency International Secretariat provides financial assistance for attendees from New Zealand at some regional meetings.

7. EVENTS AFTER BALANCE DATE

No events occurred subsequent to balance date that affect the 30 June 2010 financial statements (2009: nil).

8. OPERATING LEASES

*Lease commitments under non-cancellable operating leases:*

	2010 \$	2009 \$
Not more than one year	1,060	12,720
One to two years	-	12,720
Three to five years	-	12,720

Note: The Office Premises Lease (representing all lease commitments) was terminated on 21 August 2010 in accordance with a terminating clause requiring one month's written notice in the event that NZAID funding is terminated.

9. CONTINGENT LIABILITIES

There are no contingent liabilities at balance date (2009: nil).