Transparency International
(New Zealand)
Incorporated

Financial Statements

For the year ended 30 June 2014

Transparency International (New Zealand) Incorporated

Statement of Financial Performance
For the year ended 30 June 2014

	Note	2014 $	2013 $
REVENUE			
Project Income	6	113,000	216,396
Grants	2	14,554	34,841
Donations	3	21,130	15,050
Subscriptions		44,777	12,726
Interest		2,368	3,481
Total Revenue		**195,829**	**282,494**
EXPENSES			
Project Expenses	6	137,569	174,320
Other Expenses	7	88,634	95,107
Depreciation	5	108	120
Total Expenses		**226,311**	**269,547**
NET SURPLUS (DEFICIT) FOR YEAR		**(30,482)**	**12,947**

Statement of Movements in Equity
For the year ended 30 June 2014

	2014 $	2013 $
Accumulated Funds at Beginning of Year	84,658	71,711
Total Recognised Revenues & Expenses		
Net Surplus / (Deficit)	(30,482)	12,947
Accumulated Funds at End of Year	**54,176**	**84,658**

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

KPMG Wellington

Transparency International (New Zealand) Incorporated

Statement of Financial Position
As at 30 June 2014

	Note	2014 $	2013 $
ACCUMULATED FUNDS		**54,176**	**84,658**
Represented by:			
CURRENT ASSETS			
Cash & Cash Equivalents	4	52,501	109,485
Accounts Receivable		56,691	38,122
GST Receivable		-	672
Interest Earned		445	-
Total Current Assets		**109,637**	**148,279**
NON-CURRENT ASSETS			
Property Plant and Equipment	5	-	108
TOTAL ASSETS		**109,637**	**148,387**
Less			
CURRENT LIABILITIES			
Income in Advance (Rolling memberships)		829	1,556
Accounts Payable		52,139	62,173
GST Liability		2,493	-
Total Current Liabilities		**55,461**	**63,729**
Net Assets		**54,176**	**84,658**

Suzanne Snively
Chair
Date: 26 Sept 2014

Claire Johnstone
Deputy Chair
Date: 26 Sept 2014.

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

KPMG Wellington

Transparency International (New Zealand) Incorporated

Notes to the Financial Statements
For the year ended 30 June 2014

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 and the Charaties Act 2005.

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

The financial statements have been prepared on a going concern basis, which reflects the continuity of normal business activities and the realisation of assets and liabilities in the ordinary course of business.

Financial Reporting Act 2013

From 1 April 2014, the new Financial Reporting Act 2013 ("FRA 2013") has come into force replacing the Financial Reporting Act 1993, this is effective for entities reporting under the Charities Act 2005 with reporting periods beginning on or after 1 April 2015. This will be effective for the Society's 30 June 2016 year end. It is expected that the change in legislation will have no material impact on the Society's obligation to prepare general purpose financial statements.

In addition to the change in legistlation the External Reporting Board of New Zealand ("XRB") has released a new accounting standards framework which establishes the financial standards to be applied to entities with statutory financial reporting obligations. The Society is currently reporting under Old GAAP. Under the new XRB framework, management expects that the Society will be reporting under PBE Simple Format Reporting - Accrual (Tier 3) as applicable for not-for-profit entities. Management expects that this will materially impact the preparation and disclosures included in the financial statements. This will be applicable for the Society's 30 June 2016 year end.

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. Grants received are recognised as Revenue, unless specific conditions attach to a grant and repayment of the grant is required where these conditions are not met. In such cases the grant is treated as a liability until the conditions are met.

Goods and Services Tax

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

Taxation

The Society is 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.

KPMG Wellington

Depreciation

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

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

	2014 $	2013 $
Transparency International - Secretariat:		
Pacific Institutional and Network Strengthening Programme	9,321	7,754
Pacific Conference	2,025	21,796
Reimbursements for Travel	3,208	6,490
	14,554	**36,040**
Less transfer to Income in advance	-	1,200
Total Grants	**14,554**	**34,840**

3. DONATIONS

KPMG - Audit Fee	4,500	4,000
Bell Gully - Legal Services	10,000	10,000
Other	6,630	1,050
	21,130	**15,050**

Services donated to the Society have been recognised as donation revenue and as an expense at the amount agreed as the fair value for these services.
Time donated by the Board members and research contractors have not been included as it is not possible to appropriately quantify the value of these donations.

4. CASH & CASH EQUIVALENTS

		2014 $	2013 $
ANZ National Bank account	0.00	17,323	17,750
ANZ National Bank account	0.03	340	35,048
ANZ National Bank account	0.06	1	-
ANZ National Bank Term Deposit		34,636	55,482
Petty Cash		150	150
Pay Pal		51	1,054
		52,501	**109,485**

5. PROPERTY, PLANT & EQUIPMENT

Property, Plant and Equipment comprise the following:

	Cost $	Accum Depn $	Carrying Value $
2014			
Furniture & Fittings	600	600	-
Computer Equipment	2,933	2,933	-
	3,533	**3,533**	**-**
2013			
Furniture & Fittings	600	492	108
Computer Equipment	2,933	2,933	-
	3,533	**3,425**	**108**

Depreciation Expense for the Year is as follows:

	2014 $	2013 $
Depreciation	**108**	**120**

KPMG Wellington

6. PROJECT INCOME AND EXPENSES

	2014 $	2013 $
Income		
National Integrity Systems Assessment		
The Gama Foundation	10,000	15,000
Office of the Auditor General	30,000	30,000
The Treasury	-	30,000
Ministry of Justice	18,000	30,000
Statistics New Zealand	5,000	15,000
States Services Commission	5,000	10,000
Ministry of Social Development	-	10,000
Other	45,000	55,200
Total National Integrity Systems Assessment	113,000	195,200
Online-Training	-	21,196
	113,000	**216,396**
Expenses		
National Integrity Systems Assessment	135,325	174,320
Online-Training	842	-
Seminars	1,402	-
	137,569	**174,320**

7. OTHER EXPENSES

	2014 $	2013 $
Audit fee	4,500	4,000
Events, conferences, travel	9,049	37,280
Other expenses (excludes depreciation)	65,085	43,827
Bell Gully - Legal Services	10,000	10,000
	88,634	**95,107**

The audit and legal services have been undertaken on a pro bono basis and accordingly they have been recognised as expenses and donations received.

8. 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. Refer to Note 2 for the transactions with the TI Secretariat.

9. OPERATING LEASES

Lease commitments under non-cancellable operating leases:
Nil (2013: nil)

10. COMMITMENTS AND CONTINGENT LIABILITIES

There are no commitments or contingent liabilities at balance date (2013: nil).

11. EVENTS AFTER BALANCE DATE

No events occurred subsequent to balance date that affect the 30 June 2014 financial statements (2013: nil).

KPMG
Wellington

KPMG

Independent auditor's report

To the readers of the financial report of Transparency International (New Zealand) Incorporated

We have audited the accompanying financial statements of Transparency International (New Zealand) Incorporated ("the incorporated society") on pages 1 to 5. The financial statements comprise the statement of financial position as at 30 June 2014, the statements of financial performance and movements in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board's responsibility for the financial statements

The board is responsible for the preparation and fair presentation of financial statements in accordance with generally accepted accounting practice in New Zealand, and for such internal control as the board determines is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the incorporated society's preparation and fair presentation of the financial statements 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 incorporated society's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

Opinion

In our opinion the financial statements on pages 1 to 5 give a true and fair view of the financial position of the incorporated society as at 30 June 2014 and its financial performance for the year then ended, in accordance with generally accepted accounting practice in New Zealand.

KPMG

26 September 2014
Wellington