



M41-Party Don July 2011

# Party Donations Return for the year ending 31 December 2011



Fill in boxes highlighted in yellow  
If completing the form manually - also fill in orange boxes

Party Name

CONSERVATIVE PARTY OF NEW ZEALAND

Party Secretary Name

Kevin Stitt

## Declaration

I declare that to the best of my knowledge this return contains all donations and information required pursuant to section 210 of the Electoral Act 1993, is an accurate record of the party donations and is not false in any material particular.

Signed:

(Party Secretary)

Date:

18/05/12

Where you have completed the return electronically you will need to print the return. The return needs to be signed and dated by the party secretary and both the party secretary and the auditor must initial each page of the return. The signed return and the auditor's report must be received by the Electoral Commission before Friday 16 March 2012. Returns can be filed:

- < By post at PO Box 3220 Wellington 6140
- < Delivered to Level 9, 17-21 Whitmore Street, Wellington
- < By fax to 04 495 0031
- < By email to [enquiries@elections.govt.nz](mailto:enquiries@elections.govt.nz)

Please note, where the return is sent by fax or email the original signed return should also be sent or delivered to the Electoral Commission.

### Checklist

Parts A to G completed (if no donations in a Part, then answer Nil in the first row)	Yes
Party Secretary has initialled every page	Yes
All relevant supporting documentation supplied to auditor	Yes
Auditor has stamped and initialled every page	Yes
Auditors report enclosed	Yes
Representation letter enclosed, if used	Yes



**A: Every donor who has donated over \$15,000 during the year**  
Sections 210(1)(a) and 210(2)

This part: - Includes aggregations from the same donor (including those exceeding \$30,000 that have been reported during the year under section 210c)  
- does not include contributors to donations, anonymous or overseas donations, donations provided from disclosure, or donations not exceeding \$15,000 (see Parts B, C, D, E and F).

The requirement to identify whether a donation contains contributions is in section 210(1)(b)

		Party Name		Total A \$0.00	
		CONSERVATIVE PARTY OF NEW ZEALAND		NIL	
	Donor's name	Donor's address	Date donation received (or dates of each aggregated donation) DD/MM/YYYY	Does the donation contain contributions? (Yes or No)	Amount of donation or total aggregated donations \$0.00
1	NIL				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					

**RSM**

Party Secretary Initial: ..... Auditor Stamp/Initial: .....



**B: Every contributor who has contributed over \$15,000 during the year  
Sections 210(1)(b) and 210(3)**

This includes aggregations of contributions from the same person  
Contributors are defined in section 207, and the requirement to identify contributors is in section 207c

Party Name			Total A \$0.00
CONSERVATIVE PARTY OF NEW ZEALAND			NIL
Contributor's name	Contributor's address	Donation (number) in Part A that contributor was part of (if applicable)	Amount of the contribution
NIL			\$0.00

Party Secretary Initial: *[Signature]*

Auditor Stamp/Initial

**RSM**



**C: Every anonymous donation received that was over \$1,500 Sections 210(1)(c) and 210(4)**

Note: If an anonymous donation is over \$1,500 the party is entitled to keep \$1,500 and must pay the excess to the Electoral Commission within 20 working days.

Anonymous is defined in section 207, and the requirement to relinquish the excess of anonymous donations in section 207.

Total \$0.00		Total \$0.00		Party Name		Nil	
Nil		Nil		CONSERVATIVE PARTY OF NEW ZEALAND			
Date anonymous donation received DD/MM/YYYY	Amount of anonymous donation \$0.00	Amount paid to Electoral Commission \$0.00	Date paid to Electoral Commission DD/MM/YYYY	Amount of payment \$0.00	Date received DD/MM/YYYY		
NIL							

**RSM!**

Page 1 of 1 Party Secretary Initial: ..... Auditor Stamp/Initial .....



**D: (i) Every donation from an overseas person that was over \$1,500**  
Sections 210(1)(d) and 210(5), 207k

Note: If a donation from an overseas person is over \$1,500 (either on its own or when aggregated with all other donations made by or on behalf of the same overseas person during the year) the party is entitled to keep \$1,500 and within 20 working days must either return the excess to the donor or pay the excess to the Electoral Commission.

Overseas person is defined in section 207k, along with the requirements to relinquish some donations with overseas components

Total \$0.00		Total \$0.00		Total \$0.00		Party Name	
NIL		NIL		NIL		CONSERVATIVE PARTY OF NEW ZEALAND	
Name of overseas donor	Address of overseas donor	Amount of overseas donation or total aggregated overseas donations \$0.00	Date overseas donation received or dates of each aggregated donation DD/MM/YYYY	Was the excess returned to the donor or paid to the Electoral Commission?	Amount returned to donor or paid to Electoral Commission \$0.00	Date excess returned to donor or paid to Electoral Commission DD/MM/YYYY	Date received DD/MM/YYYY
1	NIL				\$0.00	DD/MM/YYYY	DD/MM/YYYY
2							
3							

Party Secretary Initial: .....

Auditor Stamp/Initial: .....



**E: (f) Every donation with contributions from an overseas person that was over \$1,500 Sections 210(1)(d) and 210(5),207k**

Note: If an overseas contribution is over \$1,500, within 20 days, the party must either return the entire donation to the donor or pay it to the Electoral Commission.

Overseas person is defined in section 207k, along with the requirements to relinquish some donations with overseas components

Total \$0.00		Party Name				Nil
CONSERVATIVE PARTY OF NEW ZEALAND						
Name of overseas person	Address of overseas person	Amount of contribution	Donation number in Part A or Part D that the contribution was part of and date donation made e.g. AYS-13/08/2011	Date donation returned to donor or paid to Electoral Commission DD/MM/YYYY	Amount of payment	Date received DD/MM/YYYY
NIL		\$0.00		DD/MM/YYYY	\$0.00	DD/MM/YYYY

Party Secretary Initial: .....

Auditor Stamp/Initial: .....



**F: All payments from the Electoral Commission of donations protected from disclosure Sections 210(1)(e) and 210(6)**

Donations protected from disclosure are defined in section 208

Total \$0.00		Total \$0.00	
NIL		NIL	
Date payment received DDMM/YYYY	Amount of payment \$0.00	Amount of interest included in payment \$0.00	Party Name CONSERVATIVE PARTY OF NEW ZEALAND (For Electoral Commission office use only) Amount of payment \$0.00 Date sent DD/MM/YYYY
NIL			

Party Secretary Initial: .....

Auditor Stamp/Initial .....

**PSM**



**G: Details of all other party donations received**  
Section 210(6A)

This part - includes all other party donations received. The requirement to identify these is in section 210(6A) (a) - (d)

Party Name	Total Number of Donations	Total \$0.00
CONSERVATIVE PARTY OF NEW ZEALAND	31	\$11,791.50
Description of Donation	Number of Donations No.	Total Amount of Donations \$0.00
Number of anonymous donations not exceeding \$1,500	30	\$1,201.00
Number of overseas donations not exceeding \$1,500	NIL	
Number of donations exceeding \$1,500 but not exceeding \$5,000	NIL	
Number of donations exceeding \$5,000 but not exceeding \$15,000	1	\$10,590.50

Party Secretary Initial: .....

Auditor Stamp/Initial .....

**PSM**



18 May 2012

Steve Hayes  
Ford Building  
86 Highbrook Dr  
Manukau

Dear Steve,

**Letter of Representation for Party Donations Return for the 2011 calendar year**

This representation letter is furnished in connection with the return of party donations for the 2011 calendar year (the return) by Conservative Party of New Zealand (the Party) made in accordance with section 210 of the Electoral Act 1993 (the Act) which has been audited by you in accordance with section 210A of the Act.

I understand that your audit was conducted in accordance with the relevant provisions of the Act and the Auditing and Assurance Standards issued by the New Zealand Institute of Chartered Accountants.

I confirm and take responsibility for the following representations after taking all reasonable steps to assure myself of them:

- 1 The return has been prepared in accordance with the relevant provisions of the Act.
- 2 I am responsible for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the return. I have done this, and all explanations or demonstrations of this to you have been complete and accurate.
- 3 All records, documents and accounts (records) have been kept by the Party (including subsidiary entities) and made available to you, and these materials will be retained in accordance with the requirements of the Act.
- 4 I have disclosed to you to the best of my knowledge:
  - 4.1 any material transactions not disclosed in the records;
  - 4.2 any alleged, suspected or proven illegal activity under the Act or other legislation potentially relevant to the return;
  - 4.3 the fact of, and results from, any assessment made by me that considered whether the records of the Party may be materially misstated or incomplete for any reason.
- 5 The return contains the total returnable donations received by the Party in the 2011 calendar year. The return includes:

- 5.1 donations in the form of money, goods or services paid for by others, discounts given on goods or services provided to the party, premiums paid in respect of good or services provided by the party, and credit provided to the party at terms more favourable than the prevailing commercial terms, including the value of GST on any of those items;
  - 5.2 donations of more than \$15,000 in aggregate from an individual donor;
  - 5.3 donation contributions of more than \$1,500 from an individual contributor that add up to more than \$15,000 in aggregate from that contributor;
  - 5.4 anonymous donations, overseas donations, and contributions to donations of more than \$1,500;
  - 5.5 donation contributions from an overseas person of more than \$1,500
  - 5.6 the number of, and aggregate amount of, donations of more than \$5,000 but not more than \$15,000;
  - 5.7 the number of, and aggregate amount of, donations of more than \$1,500 but not more than \$5,000
  - 5.8 the number of, and aggregate amount of, anonymous donations, and overseas donations, of \$1,500 or less
  - 5.9 payments received from the Electoral Commission of donations protected from disclosure.
- 6 The return's contents have been determined by considering the questions set out in the Appendix to this letter and the relevant provisions of the Act.
  - 7 Where an assessment has been made of the reasonable market value of a donation, the basis of the assessment is fair and appropriate, and has been properly applied and recorded.
  - 8 Any and all misstatements you have identified during the course of your audit have been adjusted in the final return.
  - 9 I have completed my own procedures, distinct from your audit processes, to evaluate the accuracy and completeness of the return.
  - 10 The return is free of any material misstatements or omissions.

These representations are made in terms mutually agreed between us, and to supplement information obtained by you from the records of the Party and to confirm information given to you orally.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Kevin Stitt', with a horizontal line underneath.

*Kevin Stitt*  
Party Secretary

**INDEPENDENT AUDITOR'S REPORT**

To the Party Secretary of the Conservative Party of New Zealand

**Report on the Financial Statements**

We have audited the attached Party Donation Return of Conservative Party of New Zealand for the year ended 31 December 2011. The return sets out party donations received as defined under the Electoral Act 1993. The return has been prepared in accordance with Section 210 of the Electoral Act 1993.

This report is made solely to the Party Secretary. Our audit has been undertaken so that we might state to the Party Secretary 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 Party Secretary, for our audit work, for this report, or for the opinions we have formed.

**Party Secretary's Responsibilities**

The Party's Secretary is responsible for the preparation of the Return. The Return includes a statutory declaration by the Party Secretary that to the best of their knowledge;

- the Return contains all donations and information required pursuant to section 210 of the Electoral Act 1993.
- the Return is not false in any material particular.

**Auditor's Responsibilities**

Our responsibility is to express an independent opinion on the Return presented by the Party's Secretary and report our opinion to you. Our independent opinion on the Return is provided in accordance with the terms outlined in Section 210A of the Electoral Act 1993. We conducted our audit in accordance with the International Standards on Auditing (New Zealand). These standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Return is free from material misstatement.

Other than our capacity as auditor, we have no relationship with or interest in Conservative Party of New Zealand.

**Qualified Opinion**

Control over income from donations, whether in the form of cash or as donated services, prior to being recorded by an organisation is limited, and there are no practical audit procedures to determine the effect of this limited control. Accordingly, an auditor of an organisation receiving significant amounts of donations usually qualifies their opinion to reflect the practical limitation of an audit in this area.

Due to the nature of these issues, we do not believe there is further information that can be provided to us by the Conservative Party of New Zealand which would allow us to determine the effect of this limited control.

Proper accounting records of party donations, once entered in those records, have been kept by the Conservative Party of New Zealand as far as appears from our examination of those records.

In our opinion, except for adjustments that might have been found necessary had we been able to obtain sufficient evidence concerning income from donations and the treatment of the forgiveness of the loan, the attached return, fairly reflects, in accordance with section 210 of the Electoral Act 1993, the party donations received by the Conservative Party of New Zealand for the year ended 31 December 2011

RSM Prince is an independent member firm of RSM International, an affiliation of independent accounting and consulting firms. RSM International is the name given to a network of independent accounting and consulting firms each of which practices in its own right. RSM International does not exist in any jurisdiction as a separate legal entity.

RSM Prince is a member of NZ CA Ltd, an association of Independent Chartered Accountants

**NORTH SHORE**  
Unit C3,  
17 Corinthian Drive  
PO Box 300 662  
Albany  
Auckland 0752  
T 64-9-414 6262  
F 64-9-414 6263

**HIGHBROOK**  
Ford Building  
86 Highbrook Drive  
PO Box 204 276  
Highbrook  
Auckland 2161  
T 64-9-271 4527  
F 64-9-271 4937

**ASIA GROUP**  
T 64-9-303 4356 or  
T 64-9-535 2075

E office@rsmprince.co.nz  
W www.rsmprince.co.nz

**TOP FLIGHT  
COMPUTER SERVICES**  
Unit 1, 465 Mt Eden Road  
PO Box 29 176  
Greenwoods Corner  
Auckland 1347  
T 64-9-367 6609  
F 64-9-367 6612  
W www.topflight.co.nz

**Emphasis of Matter**

In forming our opinion, we have considered the treatment of what has been advised to us as a loan from Mr Colin Craig to the Conservative Party of New Zealand.

In the year to 31 December 2011 payments in the amount of \$1.55 Million were made on behalf of the Party by Mr Colin Craig (leader of the Conservative Party of New Zealand), to settle expenses incurred by the Party during the election campaign run in the year to 31 December 2011. To enable the Party to pay the amounts owing, advances were provided by Mr Colin Craig. This amount has been treated as a loan to the Conservative Party of New Zealand from Mr Colin Craig. While the Electoral Act 1993 does not define a loan, reference to IAS 32 defines a financial liability as a contractual obligation; to deliver cash or other financial asset to another entity, or, to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity.

To support this position we requested a copy of the loan agreement written in favour of Mr Colin Craig and the minutes of the Party acknowledging their obligation. We received a copy of the loan document to support this advance dated 17 May 2012. We also received acknowledgement from the Members of Board of the Party acknowledging the loan on the same date. The total amount of the loan advanced was \$1,900,000 – this amount was formally advanced on the 28<sup>th</sup> of February 2012.

Subsequent to balance date, Mr Colin Craig has forgiven \$1,618,500 of the loan advanced as evidenced by a Deed of Forgiveness of Debt dated 17 May 2012. As of this date the amount of \$1,618,500 has been treated as a donation to the Conservative Party of New Zealand in accordance with the provisions of the Electoral Act 1993.

If the forgiveness of the loan advanced from Mr Colin Craig to the Conservative Party of New Zealand were to be deemed a donation on the date it was initially advanced, rather than the date of the Deed of Forgiveness of Debt, this would potentially require adjustment to this Return to restate the amount of donations disclosed

In forming our opinion we were reliant on the information provided to us by the Party Secretary.

Our audit was completed on 18 May 2012 and our qualified opinion is expressed as at that date.



**RSM PRINCE**  
Chartered Accountants, Auckland  
18 May 2012