

**Party Donations and Loans Return
for the year ending 31 December 2016**

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

I declare that to the best of my knowledge this return contains all donations and loans information required pursuant to sections 210 and 214C of the Electoral Act 1993, is an accurate record of the party donations and loans and is not false in any material particular.

Signed:



(Party Secretary)

Date:

26/04/17

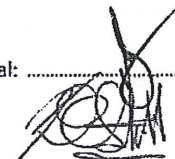
n/yyyy)

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 by **Monday, 1 May 2017** (as returns are due by Sunday, 30 April 2017 they can be filed on the next business day). Returns can be filed:

- By post at PO Box 3220 Wellington 6140
- Delivered to Level 10, 34-42 Manners Street, Wellington
- By fax to 04 495 0031
- By email to enquiries@elections.govt.nz

CHECKLIST

Parts A to I completed - if no donations or loans in a Part, then enter 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/or initialled every page	Yes
Auditor's report enclosed	Yes
Representation letter enclosed, if used	Yes



D: Every donation from an overseas person that was over \$1,500

Sections 210(1)(d) and 210(5)

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.

		Total \$0.00				Total \$0.00	Party Name	
							Conservative Party of New Zealand	
Name of overseas donor	Address of overseas donor	Amount of overseas donation 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	Amount of payment \$0.00	Date received DD/MM/YYYY

Party Secretary Initial: RES

Auditor Stamp/Initial [Signature] RSM

E: Every donation with contributions from an overseas person that was over \$1,500

Sections 210(1)(d) and 210(5)

If an *overseas contribution* is over \$1,500 (either on its own or when aggregated with other contributions to the donation by the same overseas person), within 20 days, the party must either return the 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 contributions.

			Total \$0.00			
			Party Name			
			Conservative Party of New Zealand			
Name of overseas person	Address of overseas person	Amount of contribution \$0.00 total aggregated contribution	Donation number in Part A or Part D that the contribution was part of and date donation made e.g. A13 13/08/2016	Date donation returned to donor or paid to Electoral Commission DD/MM/YYYY		
					Amount of payment \$0.00	Date received DD/MM/YYYY

Party Secretary Initial: *RSM*

Auditor Stamp/Initial *RSM*

G: Details of all other party donations received

Sections 210(1), (f) and (6A)

Include here the total number and value of other party donations received that must be disclosed in accordance with section 210(1)(f) and that have not been disclosed in Parts A to E.

There is no requirement to aggregate donations from the same donor for the purposes of determining what donations to include and in which band in Part G. If a donor has made more than one donation in a category each donation should be counted separately when calculating the number of donations.

Party Name	Total \$0.00
Conservative Party of New Zealand	\$12,450.00

Description of Donation	Number of donations No.	Total amount of donations \$0.00
Anonymous donations not exceeding \$1,500		
Overseas donations not exceeding \$1,500		
Donations exceeding \$1,500 but not exceeding \$5,000	1	\$2,500.00
Donations exceeding \$5,000 but not exceeding \$15,000	1	\$9,950.00

Note: A \$3,000 donation was received in 2015 and was also declared in 2015 which was transferred for spending in the North Island region account. The same amount was received during the year in Feb 2016 which represents a transfer back from North Island.

Party Secretary Initial: 

Auditor Stamp/Initial 

H: Loans exceeding \$15,000

Sections 214C(1)(a) and (b), 214C(2) and 214C(3)

Include loans from the same lender exceeding \$15,000 entered into during the year (including those exceeding \$30,000 that have been reported during the year under section 214F).

Include loans exceeding \$15,000 entered into in any previous year (from 25 March 2014) that have an unpaid balance exceeding \$15,000 as at 31 December 2016.

Loans from the same lender need to be aggregated. Include loans entered into during the year not exceeding \$15,000, but that exceed \$15,000 when aggregated with all other loans from the same lender during the year or unpaid balances of any loans provided by the same lender in any previous year (from 25 March 2014).

The unpaid balance amount is as at 31 December 2016.

Party Name:

Conservative Party of New Zealand

Lender's name and address	Loan amount \$0.00	Date loan entered into DD/MM/YYYY	Repayment date
Colin Craig	\$0.00	17/10/14	25/02/2016(\$94,000 loan forgiven)
Guarantor's name and address (if any)	Unpaid balance of loan \$0.00	Interest rate or rates	Details of any security given
Total aggregated loan amount from the same lender (if applicable)			
Any terms (that enable the lender to reduce or extinguish the loan amount and/or interest or grant any concession in respect of repayment)			

Lender's name and address	Loan amount \$0.00	Date loan entered into DD/MM/YYYY	Repayment date
Guarantor's name and address (if any)	Unpaid balance of loan \$0.00	Interest rate or rates	Details of any security given
Total aggregated loan amount from the same lender (if applicable)			
Any terms (that enable the lender to reduce or extinguish the loan amount and/or interest or grant any concession in respect of repayment)			

Party Secretary Initial: 

Auditor Stamp/Initial 

I: Details of all other party loans

Section 214C(1)(c) and 214C(4)

Include here the total number and value of all other party loans entered into during the year of \$1,500 or more up to and including \$15,000 that must be disclosed in accordance with 214C(1)(c) and that have not already been disclosed in Part H.

If a lender has made more than one loan to the party of between \$1,500 and \$15,000 each loan should be counted separately when calculating the total number of loans, for the purposes of Part I.

Party Name	Total \$0.00	
Conservative Party of New Zealand		
	Number of loans No.	Total amount of loans \$0.00
Loans of not less than \$1,500 and not more than \$15,000		

Party Secretary Initial:
 Auditor Stamp/Initial **RSM**



RSM Hayes Audit

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Newmarket, Auckland 1023

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Independent Auditor's Report

To the Party Secretary of Conservative Party of New Zealand

Qualified Opinion

We have audited the Party Donations and Loans return ("the Return") of the Conservative Party of New Zealand for the year ended 31 December 2016.

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion section of our report, had we been able to obtain sufficient evidence concerning income from donations and the residency status of particular donors, the attached Return of Party Donations & Loans presents fairly, in accordance with section 210 & 214C of the Electoral Act 1993, the party donations & loans received by the Conservative Party of New Zealand for the year ended 31 December 2016.

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

Basis for Qualified

The Return includes donations received in the form of cash. Limited controls exist prior to the cash received being recorded by the organisation. There were no practical procedures available to us to confirm completeness of the donations received, and accordingly, we were unable to obtain sufficient appropriate audit evidence in this regard. Consequently, we were unable to determine whether any adjustment to the donations recorded in the Return was necessary.

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.

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 Return section of our report.

We are independent of Conservative Party of New Zealand 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 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 of our qualified opinion.

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

Emphasis of matter – Restriction on distribution

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.

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RSM Hayes Audit is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practises in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.



Responsibilities of Party Secretary for the Return

The Party's Secretary is responsible for the preparation of the Return which present fairly the party donations & loans received by the Conservative Party of New Zealand for the year from 1 January 2016 to 31 December 2016 in accordance with the Electoral Act 1993.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the Return as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our independent opinion on the Return is provided in accordance with the terms outlined in Section 210A & 214D of the Electoral Act 1993. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (New Zealand) 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 the Return. A further description of the auditor's responsibilities for the audit of the Return is located at the XRB's website at:

https://xrb.govt.nz/Site/Auditing_Assurance_Standards/Current_Standards/Page8.aspx

RSM

RSM Hayes Audit
Auckland

26 April 2017

26 April 2017

RSM Hayes
PO Box 9588
Newmarket
Auckland 1149

Attn Steve Hayes

Dear Steve,

Letter of Representation for Party Donations and Loans Return for the 2016 calendar year

This representation letter is furnished in connection with the return of party donations and loans for the 2016 calendar year (the return) by Conservative Party of New Zealand (the Party) made in accordance with sections 210 and 214C of the Electoral Act 1993 (the Act) which has been subject to an assurance engagement and reported on by you in accordance with sections 210A and 214D of the Act.

I understand that your assurance engagement was conducted in accordance with the relevant provisions of the Act and the applicable auditing and assurance standards issued by the New Zealand Auditing and Assurance Standards Board.

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 or instances of non-compliance with applicable requirements;
 - 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; and

- 4.4 any design deficiencies in the compliance system and instances where that system has not operated as described.
- 5 The return contains the total returnable donations received by the Party in the 2016 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 and overseas donations of more than \$1,500;
 - 5.5 donation contributions from an overseas person of more than \$1,500;
 - 5.6 payments received from the Electoral Commission of donations protected from disclosure;
 - 5.7 the number of, and aggregate amount of, anonymous donations, and overseas donations, of \$1,500 or less;
 - 5.8 the number of, and aggregate amount of, donations of more than \$1,500 but not more than \$5,000;
 - 5.9 the number of, and aggregate amount of, donations of more than \$5,000 but not more than \$15,000.
 - 6 The return includes:
 - 6.1 Any loans entered into during the year that exceed \$15,000;
 - 6.2 Any loans exceeding \$15,000 entered into in any previous year (from 25 March 2014) that have an unpaid balance exceeding \$15,000 as at 31 December 2016;
 - 6.3 Any loans entered into during the year of less than or equal to \$15,000 if the loan exceeds \$15,000 when aggregated with all other loans entered into during the year by the same lender and any unpaid balances of any loans from the same lender in any previous year (from 25 March 2014);
 - 6.4 The number and aggregate amount of all other loans entered into during the year of not less than \$1,500 and not more than \$15,000.
 - 7 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.

- 8 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.
- 9 Any and all misstatements you have identified during the course of your assurance engagement have been adjusted in the final return.
- 10 I have completed my own procedures, distinct from your assurance engagement processes, to evaluate the accuracy and completeness of the return.
- 11 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 'K Stitt', written over a horizontal line.

Kevin Stitt
Party Secretary

APPENDIX to Letter of Representation

The return's contents have been determined by considering, in the following sequence, these questions and the relevant provisions of the Act:

What benefits to the party were "donations"? [sections 207 and 207A]	
<i>What gifts of money did the party receive?</i>	Any money donated to the party, regardless of method of payment, is a donation. This includes donations protected from disclosure.
<i>What gifts of goods or services did the party receive?</i>	Any goods or services donated to the party that have a reasonable market value of greater than \$1,500 (other than volunteer labour) are donations, including the value of GST.
<i>What was the difference between the contract price and the reasonable market value (including GST) of any goods or services provided to the party at a discount?</i>	Where the reasonable market value is more than \$1,500, the difference in value (discount) is a donation.
<i>What was the difference between the contract price and the reasonable market value (including GST) of any goods or services provided by the party at a premium?</i>	The difference in value (premium) is a donation.
<i>What was the value to the party of the terms and conditions of any credit provided to the party on more favourable terms and conditions than prevailed at the time?</i>	The value to the party of the more favourable terms and conditions is a donation.
What donations were made to the "party"? [section 3]	
<i>Was the donation provided to the party or to any person or organisation on behalf of the party?</i>	The "party" is the registered political party. Apart from candidate donations, all donations received throughout the party administration whether at the national or local level (or other subsidiary entities) must be returned as being received by the party. The only segment of political parties recognised distinctly in electoral law is "candidates".
<i>Do any of the donations identified above, or components of those donations, fall within the party donation exclusions?</i>	A party donation does not include: <ul style="list-style-type: none"> • the labour of any person provided free of charge by that person • goods or services provided free

	<p>of charge, or which have a reasonable market value of \$1,500 or less</p> <ul style="list-style-type: none"> any candidate donation that is included in a candidate donation return filed under section 209 <p>Do not include these items in the calculation of party donations. [section 207 definition of party donation at paragraph (b)]</p>
<p><i>Apart from donations protected from disclosure, which persons made "donations" to the party and which persons made "contributions to a donation"?</i> [section 210(1)]</p> <p>NOTE: whether an intermediary is a transmitter of a donation on behalf of a donor, or is a donor making a donation funded from contributions, will be a question of fact taking into account all of the provisions pertaining to transmitters and contributions</p>	
<p><i>Did person A make the donation directly to the party (or any person or organisation involved in the administration of the affairs of the party)?</i></p>	<p>If yes: Person A is a "donor" and made a "donation". Include this donation in the calculation of donations from person A. [section 207 definition of donor and definition of party donation]</p>
<p>If no: <i>Did person A give their donation to another person or organisation (person B) to forward on (transmit) to the party?</i></p>	<p>If yes: Person A is a "donor" and made a "donation". Include this donation in the calculation of donations from person A. Person B is a "transmitter" and is not a donor. Do not include this transmission in the calculation of donations or contributions from person B. [section 207 definition of donor and definition of transmitter, and section 207B]</p>
<p>If no: <i>Did person A give their donation to another person or organisation (person C) with the knowledge or expectation that it would be wholly or partly applied to funding a donation to the party?</i></p>	<p>If yes: Person A is a "contributor" and made a "contribution to a donation". Include this contribution in the calculation of contributions to donations from person A. Person C is a "donor" and made a "donation". Include the donation that person A contributed to (that is, the entire donation that was given to the party by person C) in the calculation of donations from person C. [section 207 definition of contribution and definition of contributor, and</p>

	section 207C]
Which donations must be included in the return? [section 210]	
<i>Which donors donated more than \$15,000 in aggregate during the calendar year?</i> [section 210(1)(a)]	This includes any donations made through a transmitter. Include these donations in the return in Part A
<i>Did the party disclose donations exceeding \$30,000 during the year?</i> [section 210C].	Include these donations in the return in Part A
<i>Which contributors to donations made contributions exceeding \$1,500 during the calendar year, which when aggregated exceeded \$15,000?</i> [section 210(1)(b)]	Include these contributions in the return in Part B
<i>Which anonymous donations exceeded \$1,500 and who was the excess returned or paid to?</i> [section 207, section 207I and section 210(1)(c)]	Include these donations in the return in Part C
<i>Which donations made by overseas persons exceeded \$1,500 in aggregate during the calendar year, and who was the excess returned or paid to?</i> [section 207K(1), section 207K, and section 210(1)(d)]	Include these donations in the return in Part D
<i>Which contributors who are overseas persons made a contribution of more than \$1,500 during to calendar year to any party donation?</i> [section 207K(3) and section 210(1)(da)]	Include these donations in the return in Part E
<i>How much did the party receive from the Electoral Commission in payments of donations protected from disclosure and how much interest was included in those payments?</i> [section 208D and section 210(1)(e)]	Include these donations in the return in Part F
<i>How many other donations were received under the following categories and what was the total value of all donations for each category?</i> <ul style="list-style-type: none"> • anonymous donations of \$1,500 or less • overseas donations of \$1,500 or less • donations of more than \$5,000 but not more than \$15,000; 	Include these donations in the return in Part G

<ul style="list-style-type: none"> • donations of more than \$1,500 but not more than \$5,000 <p>[sections 210(1)(f) and 210(6A)(a)-(d)]</p>	
<p>What loans entered into by the party must be disclosed? [Part 6B]</p>	
<p><i>What loans has the party entered into?</i></p>	<p>A loan is a written or oral agreement or arrangement under which a lender lends money, or agrees to lend money in the future, to a party.</p> <p>This does not include money lent by a registered bank at a commercial interest rate.</p> <p>Credit cards and overdraft facilities with registered banks are also excluded.</p> <p>[section 212]</p>
<p>Who has entered into a loan on behalf of the party?</p>	
<p><i>Has the party secretary entered into the loan?</i></p>	<p>Only a party secretary can enter into a loan on behalf of the party.</p> <p>[section 213]</p>
<p>What is the value of the loan/s entered into?</p>	
<p><i>Is the loan amount or the unpaid balance of the loan used for reporting purposes?</i></p>	<p>Both the loan amount and the unpaid balance of the loan amount (if any) at 31 December should be recorded.</p>
<p><i>What loans have to be aggregated?</i></p>	<p>If the value of all loans from the same lender during the year plus any unpaid balances of any loans provided by the same lender during any previous year (from 25 March 2014) exceed \$15,000, the loan amounts should be aggregated.</p> <p>[section 214C(1)(b)]</p>
<p>Which loans must be included in the return? [section 214C]</p>	
<p><i>From what date must loans be accounted for?</i></p>	<p>A party secretary must keep records of all party loans entered into since 25 March 2014. Records of each loan have to be retained for three years after the annual return following repayment of the loan.</p>
<p><i>Did the party enter into any loans of more than \$15,000 during the calendar year (including any loans exceeding \$30,000 that have been disclosed during the year under section 214F)?</i></p> <p><i>Did the party enter into any loans of more than \$15,000 in the previous year from 25 March 2014 that have an unpaid balance of more than \$15,000 as at 31 December?</i></p>	<p>Include each of these loans in the return in Part H and provide the total of the aggregated loan amount from the same lender.</p>

<p><i>Did the party enter any loans of \$15,000 or less, but that exceed \$15,000 when aggregated with all other loans from the same lender during the year or unpaid balances of loans from the same lender in any previous year (from 25 March 2014)?</i></p> <p>[section 214C(1)(a) and (b)]</p>	
<p><i>How many other loans were entered into during the year that were each less than \$1,500 and not more than \$15,000?</i></p> <p>[section 214C(1)(c)]</p>	<p>Include the number of loans and the total amount of the loans in Part I.</p>